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ANNUAL REPORT



OUR VISION

'The Leading Investment Fund
for Your Financial Goals'

OUR MISSION

Creating and growing investors' wealth by providing
sustainable and competitive returns from a
balanced investment portfolio

OUR VALUES

I - Integrity
N - Nobility
V - Visionary
E - Excellence
S - Simplicity
T - Transparency

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FINANCIAL STATEMENTS 31 DECEMBER 2016

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Chairperson's Statement

2016 was another successful year whereby UTOF recorded a better growth and return compared to previous years.



In consultation with key stakeholders the Board embarked on a journey of excellence from 2009, which has enabled the Fund to deploy specific strategies for growth and development. As a result, the Fund recorded an investment portfolio growth of 8.73%, valued at \$137.96 million.

With the continuous re-balancing of asset classes, we distributed a record dividend to unit holders of 6.10 cents per unit under Income & Growth Fund. This resulted in a dividend yield of 4.02% and a positive capital growth of 7.01%. The total return to unit holders under this Fund was 11.03%.

A strong performance was also recorded for Income Fund providing unit holders with an annualized dividend rate of 3.54%.

Hence, the total tax-free dividend for both Funds amounting to \$5 million was paid out to 17,309 unit holders.

The Employee Investment Scheme (EIS) concept and Children Investment Plan (CIP) have significantly contributed to the growth and performance of the Fund. Under EIS, we have registered 21 employers, thus providing investment opportunities to more than 5,000 employees. For CIP, we registered an additional 432 children investors, a testament to the growing interests being generated from our student investors under the MOU with the Ministry of Education. We believe the children investment

facility will nurture and inculcate savings and investment for our young investors. We strongly encourage parents and schools to capitalize from the incentives being offered under this facility.

The UTOF Team will continue to deliver unit holder expectations in terms of the return on investment and enhancement of our services. We are indeed looking forward to the next financial year, to roll out various strategies for the overall development of UTOF.

The Board would like to commend the UTOF Team for their hard work and dedication throughout the year. We would also like to express our sincerest gratitude to our Trustee Directors, Reserve Bank of Fiji and our shareholders, Ministry of Public Enterprises and the Ministry of Economy, for their support and guidance.

Importantly, to our unit holders, we are indeed grateful for your confidence and support throughout the year.

We look forward to another fruitful year of investment!

Vinaka vakalevu,

A handwritten signature in blue ink, which appears to read 'Voss', written over a dotted line.

Mrs. Shaenaz Voss

Chief Executive Officer's Report

It gives me great pleasure to report on UTOF's financial performance and its key achievement for the year ended 31 December 2016.



Our operating environment during the year continued to create unique challenges and opportunities for the fund. The refining of our strategic intent and goals provided a stronger platform for sustainable growth to optimize our return and value to the unit holders.

The Employee Investment Scheme (EIS) has gained prominence since its launch in 2015 and has continued to provide investment opportunities to the Fijian workforce for their financial wellbeing.

INVESTOR CONFIDENCE

UTOF's success is predominantly driven by investor confidence and competitive tax-free return which has led to an increase in total number of unit holders (investors). As illustrated in Chart 1, the investor base has increased from 16,111 to 17,309, an increase of 7.4%.

There has also been a growing interest from our student investors under the Children Investment Plan (CIP). This plan was successfully rolled out to schools in 2013 in consultation with the Ministry of Education for the Invest Smart Program.

FUNDS UNDER MANAGEMENT

The Funds under Management grew by 8.7% from \$126.9 million in 2015 to \$137.9 million, as reflected in Chart 2. The growth has been driven further by the increase in unit sales and value of investments.

Fund's asset and sectorial allocation is provided at the end of this report whilst, the performance of respective funds is detailed below.

Income & Growth Fund

The positive movement in the value of investments attributed to an increase of 14.9%, which is equivalent to \$16.2 million (refer to Chart 3).

Contributing to the significant growth in the IGF portfolio was from the performance of investee companies, such as South Sea Towage Limited, HFC Bank, Amalgamation Telecommunication Holding Limited and the newly South Pacific Stock Exchange listed company, Vision Investments Limited (VIL). UTOF during the year invested \$7 million in

VIL and an additional \$6.25 million in HFC Bank.

A total of \$4.6 million was paid out to unit holders, equivalent to 6.10 cents per unit in tax-free dividends. The dividends to unit holders increased by 3.4% from 5.90 cents per unit to 6.10 cents per unit. The 5-year dividend payout is shown in Table 1. Over the last 5 years, UTOF paid out a total tax-free dividend of \$19.1 million, an average of \$3.8 million per annum.

The dividend payout of 6.10 cents per unit, provided a dividend yield of 4.02%. The value growth in the investment portfolio enabled the Fund to realise a capital growth of 7.01% for its unit holders, thus providing a total return of 11.03%. The notable achievement was

CHART 1: NUMBER OF UNIT HOLDERS

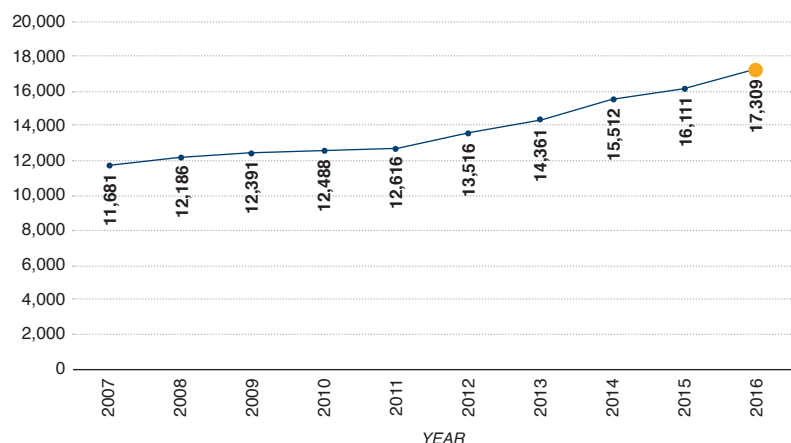


CHART 2: FUNDS UNDER MANAGEMENT

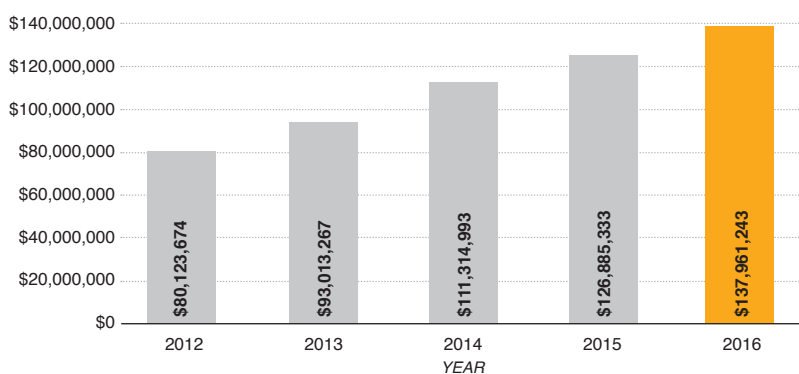
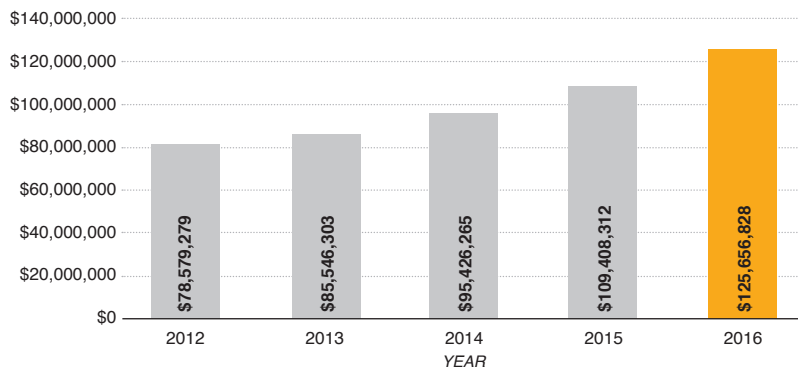
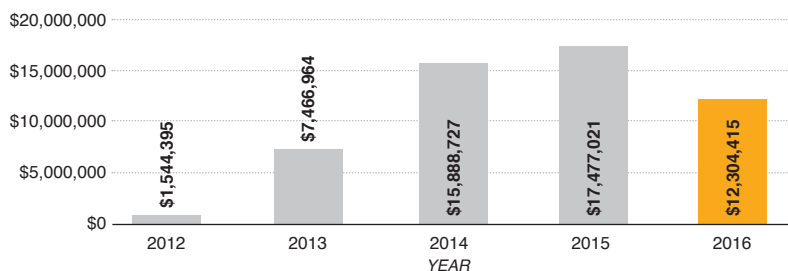


CHART 3: INCOME & GROWTH FUND INVESTMENT PORTFOLIO**TABLE 1: INCOME & GROWTH FUND DIVIDEND PAYOUT**

| Indicators | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|--------|--------|--------|--------|--------|
| Interim Dividend (cents per unit) | 2.30 | 2.30 | 2.30 | 2.35 | 2.40 |
| Final Dividend (cents per unit) | 3.50 | 3.50 | 3.50 | 3.55 | 3.70 |
| Total Dividend (cents per unit) | 5.80 | 5.80 | 5.80 | 5.90 | 6.10 |
| Dividend distributed per annum (million) | \$3.29 | \$3.50 | \$3.72 | \$4.06 | \$4.56 |
| Dividend Yield | 4.49% | 4.28% | 4.26% | 4.16% | 4.02% |
| Capital Growth | 3.85% | 1.18% | 4.63% | 6.84% | 7.01% |
| Total Return | 8.34% | 5.46% | 8.89% | 11.00% | 11.03% |

CHART 4: INCOME FUND INVESTMENT PORTFOLIO**TABLE 2: INCOME FUND DIVIDEND PAYOUT**

| Year | Dividend Distributed | | | Annualized |
|------|----------------------|-----------|-----------|---------------|
| | Interim | Final | Total | Dividend Rate |
| 2012 | \$4,329 | \$20,643 | \$24,972 | 3.35% |
| 2013 | \$25,947 | \$53,339 | \$79,286 | 3.16% |
| 2014 | \$166,551 | \$237,766 | \$404,317 | 3.17% |
| 2015 | \$197,254 | \$260,141 | \$457,395 | 3.28% |
| 2016 | \$235,341 | \$201,439 | \$436,780 | 3.54% |

TABLE 3: MANAGEMENT COMPANY PERFORMANCE

| Management Performance | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|-------------|-------------|-------------|-------------|-------------|
| Profitability (NPAT) | \$227,148 | \$239,052 | \$263,323 | \$471,442 | \$585,503 |
| Dividend to Shareholders - Fijian Government | \$113,574 | \$119,526 | \$131,662 | \$235,721 | \$292,752 |
| Shareholders' Equity | \$1,024,542 | \$1,150,019 | \$1,293,816 | \$1,765,258 | \$1,983,378 |
| Dividend per share (DPS) | \$2.27 | \$2.39 | \$2.63 | \$4.71 | \$5.86 |
| Return on equity (ROE) | 22% | 21% | 20% | 27% | 30% |
| Return on assets (ROA) | 19% | 17% | 16% | 21% | 25% |
| Cost to Income Ratio | 79% | 80% | 79% | 68% | 67% |

that the Fund exceeded its expected return to the unit holders.

Income Fund

The decline in the value of the Income Fund investment portfolio was due to withdrawal of units during the year, as illustrated in Chart 4.

Despite the decline in the portfolio, we achieved an annualized dividend rate of 3.54% from the investment portfolio. The 2016 payout is IF's highest payout since inception (refer to Table 2). IF investment portfolio mostly comprises of fixed income instruments.

MANAGEMENT COMPANY PERFORMANCE

The Management Company recorded a Net Profit after Tax (NPAT) of \$585,503, highest profitability in the last 5 years (refer to Table 3). In comparison with 2015 financial performance, profitability increased by 24% which was achieved from sales revenue, management fee and having better cost management strategies. As a result, the company was able to increase Return on Equity by 3% from 27% in 2015 to 30% enabling the Board of Directors to declare a dividend of \$292,752, payable to the Government of Fiji as per the Dividend Policy. The dividend declared was an increase of 24% from the 2015 dividend payout of \$235,721.

Furthermore, the Return on Assets increased by 4% to 25% from 21% in 2015, a testament of the company's ability to maximize its available resources in managing UTOF and creating awareness for ordinary Fijians to save and invest. The Company will continue to manage UTOF's investment portfolio to provide better values to the shareholders.

OUTLOOK

In the year ahead, we will continue to strive for better performance and return to unit holders.

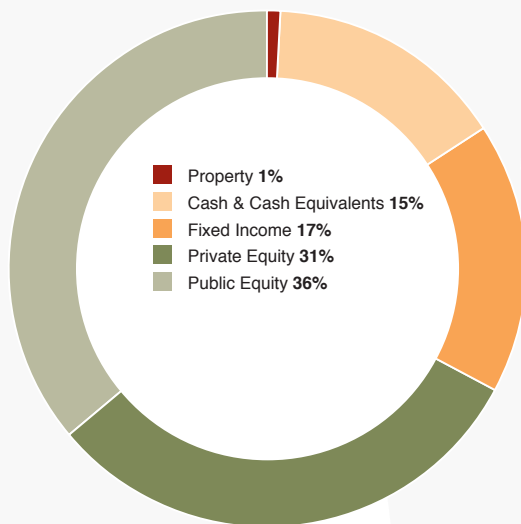
The unit holders' loyalty and confidence are immensely acknowledged and appreciated. The continuing support and stewardship from key stakeholders, our Board of Directors, Trustee Directors, Ministry of Public Enterprises, Ministry of Economy and Reserve Bank of Fiji are profoundly valued for the overall growth and development of UTOF.

Vinaka vakalevu,


Vilash Chand

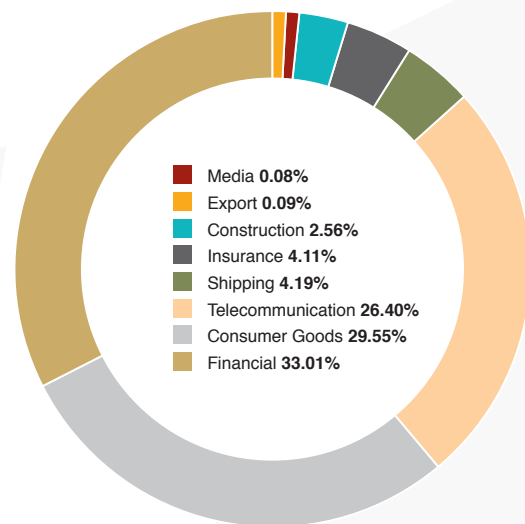
Fund's Asset & Sectorial Allocation

ASSET ALLOCATION



UTOF's investment portfolio continues to be driven largely by equity investment, which is 67% of the portfolio.

EQUITY PORTFOLIO BY SECTOR



Income & Growth Fund (IGF), equity investments are spread across several sectors of the economy, with major sectors being Financial, Telecommunications & Consumer Goods.

TOP 10 EQUITY INVESTMENTS

| No. | Equity Investment | Sector | % of Investment Portfolio |
|-----|----------------------------------|-------------------|---------------------------|
| 1 | HFC Bank | Financial | 20.11% |
| 2 | Amalgamated Telecom Holdings Ltd | Telecommunication | 18.03% |
| 3 | Vision Investments Ltd | Consumer Goods | 6.59% |
| 4 | Fiji Gas Ltd | Consumer Goods | 5.05% |
| 5 | South Sea Towage Ltd | Shipping | 3.10% |
| 6 | FMF Foods Ltd | Consumer Goods | 3.01% |
| 7 | R B Patel Group Ltd | Consumer Goods | 2.58% |
| 8 | Marsh Limited | Insurance | 2.57% |
| 9 | Rice Company of Fiji Ltd | Consumer Goods | 1.36% |
| 10 | Communications Fiji Ltd | Media | 1.23% |

Table above lists the top 10 equity investment under Income & Growth Fund in UTOF's investment portfolio. The Fund invested \$7 million in Vision Investment Ltd and an additional \$6.25 million in HFC Bank.



Winner - Fiji Business Excellence Prize
Fiji Business Excellence Awards 2015



EMPOWERING FIJIANS
to save and invest
for their future!

your investment fund

BEST
TAX FREE
DIVIDENDS



The latest updates are also posted
on our facebook and twitter.

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UNIT TRUST OF FIJI (MANAGEMENT) LIMITED FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

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UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
DIRECTORS' REPORT
FINANCIAL STATEMENTS 31 DECEMBER 2016

The directors present their report together with the financial statements of the company for the 12 months financial period ended 31 December 2016 and the auditor's report thereon:

1. THE NAMES OF THE DIRECTORS IN OFFICE DURING THE FINANCIAL PERIOD AND UP TO THE DATE OF THIS REPORT ARE:

Shaenaz Voss - Chairperson
Maciu Lumelume - Director

2. STATE OF AFFAIRS

In the opinion of the directors, the accompanying statement of financial position gives a true and fair view of the state of affairs of the company as at 31 December 2016, and the accompanying statement of comprehensive income, statement of changes in equity and statement of cash flows give a true and fair view of the result of the company, its changes in equity and its cash flows for the period then ended.

3. PRINCIPAL ACTIVITY

The principal activity of the company is to make investment decisions and to administer the Unit Trust of Fiji.

4. OPERATING RESULTS

The net profit for the financial year ended 31 December 2016 was \$585,503 (year ended 31 December 2015: net profit \$471,442).

5. PROVISIONS

There were no material movements in provisions.

6. DIVIDENDS

The directors declared a dividend of \$131,662 and \$235,721 for the 12 months' financial period 01 January 2014 to 31 December 2014 and 01 January 2015 to 31 December 2015 respectively. (2013 - \$119,526).

7. RESERVES

The directors recommend that no amounts be transferred to or from reserves in respect of the year ended 31 December 2016.

8. BAD AND DOUBTFUL DEBTS

The directors took reasonable steps to ascertain that all known bad debts were written off and adequate allowance was made for doubtful debts.

At the date of this report, the directors were not aware of any circumstances which would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, inadequate to any substantial extent.

9. CURRENT ASSETS

The directors took reasonable steps before the financial statements were made out, to ascertain that the current assets of the company were shown in the accounting records at a value equal to or below the value that would be expected to be realized in the ordinary course of business. At the date of this report, the directors are not aware of any circumstances which would render the values attributable to the current assets in the financial statements misleading.

10. EVENTS SUBSEQUENT TO BALANCE DATE

The company via its subsidiary company Fiji Wai Limited (FWL) has been liaising with potential Joint Venture partners to extract, bottle and operate the water bottling facility at Rakiraki. A sum of \$665,831 is payable to iTaukei Land Trust Board as lease and rental for the two 99 years' native leases issued to FWL.

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
DIRECTORS' REPORT - continued
FINANCIAL STATEMENTS 31 DECEMBER 2016

11. BASIS OF ACCOUNTING

The directors believe the basis of the preparation of financial statements is appropriate and the company will be able to continue in operation for at least 12 months from the date of this statement. Accordingly, the directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

12. OTHER CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which render any amounts stated in the financial statements misleading.

13. UNUSUAL TRANSACTIONS

The results of the company's operations during the financial year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

14. DIRECTORS' INTERESTS

No director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors shown in the company accounts) by reason of a contract made with the company or a related corporation with the director or with a firm of which he is a member, or in a company in which he has a substantial financial interest.

For and on behalf of the Board of Directors by authority of a resolution of the Directors.

Dated at Suva this 7th day of April 2017.


Director


Director

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
STATEMENT BY DIRECTORS
FINANCIAL STATEMENTS 31 DECEMBER 2016

In the opinion of the Directors:

- (a) the accompanying statement of comprehensive income is drawn up so as to give a true and fair view of the results of the company for the year ended 31 December 2016;
- (b) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of the company's affairs as at 31 December 2016;
- (c) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flows of the company for the year ended 31 December 2016; and
- (d) the accompanying statement of changes in equity for the year ended 31 December 2016 is drawn up so as to give a true and fair view of the movement in shareholders' funds.

For and on behalf of the Board of Directors by authority of a resolution of the Directors.

Dated at Suva this 7th day of April 2017.



Director



Director

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Unit Trust of Fiji (Management) Limited, which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of Unit Trust of Fiji (Management) Limited as at 31 December 2016, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company 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 my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Management and Directors for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, Companies Act 2015 and the Unit Trust Act 1978 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's and directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

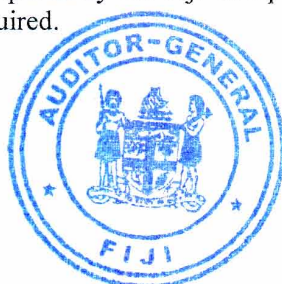
I communicate with the management and directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2015 and the Unit Trust Act, 1978, in my opinion:

- a) Proper books of account have been kept by the Company, so far as it appears from my examination of those books,
- b) the accompanying financial statements:
 - a. are in agreement with the books of account; and
 - b. to the best of my information and according to the explanations given to me, give the information required by the Fiji Companies Act, 2015 and the Unit Trust Act, 1978 in the manner so required.


Ajay Nand
AUDITOR GENERAL



Suva, Fiji
13 April, 2017

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

| | Notes | 2016 \$ | 2015 \$ |
|--|-------|------------------|------------------|
| Revenue | | | |
| Fee income | 3 | 2,145,032 | 1,832,749 |
| Other income | 4 | 78,669 | 57,891 |
| Total revenue | | 2,223,701 | 1,890,640 |
| Less expenses | | | |
| Personnel expenses | 5 | (582,110) | (518,815) |
| Other operating expenses | 6 | (823,190) | (681,741) |
| Depreciation and amortization expense | 11&12 | (78,827) | (87,823) |
| Total expenses | | 1,484,127 | 1,288,379 |
| Profit before tax | | 739,574 | 602,261 |
| Income tax expense | 7(a) | (154,071) | (130,819) |
| Profit for the year | | 585,503 | 471,442 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 585,503 | 471,442 |

The statement of comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 19 to 29.

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

| | Share Capital \$ | Retained Earnings \$ | Total \$ |
|---|---------------------|----------------------------|------------------|
| 2015 | | | |
| Balance at 01 January 2015 | 50,000 | 1,243,816 | 1,293,816 |
| Total comprehensive income for the period | | | |
| Profit for the period | - | 471,442 | 471,442 |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the period | 50,000 | 1,715,258 | 1,765,258 |
| Transactions with owners, recorded directly in shareholders' equity | | | |
| <i>Contribution by and distribution to owners</i> | - | - | - |
| Return of dividends paid in respect of 2013 year (\$2.39 per share) | - | - | - |
| Total contribution by and distribution to owners | - | - | - |
| Balance at 31 December 2015 | 50,000 | 1,715,258 | 1,765,258 |
| 2016 | | | |
| Balance at 01 January 2016 | 50,000 | 1,715,258 | 1,765,258 |
| Total comprehensive income for the period | | | |
| Profit for the period | - | 585,503 | 585,503 |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the period | 50,000 | 2,300,761 | 2,350,761 |
| Transactions with owners, recorded directly in shareholders' equity | | | |
| <i>Contribution by and distribution to owners</i> | - | - | - |
| Dividends paid during the financial year 31.12.2014 and 31.12.2015 (\$2.60 per share and \$4.70 per share respectively) | - | (367,383) | (367,383) |
| Total contribution by and distribution to owners | - | - | - |
| Balance at 31 December 2016 | 50,000 | 1,933,378 | 1,983,378 |

The statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 19 to 29.


UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2016

| | Notes | 2016 \$ | 2015 \$ |
|--------------------------------------|-------|------------------|------------------|
| Current Assets | | | |
| Cash at bank and on hand | 8 | 1,820,141 | 1,730,290 |
| Investment- held to maturity | 9 | 59,045 | 59,045 |
| Receivables | 10 | 282,899 | 180,807 |
| Future income tax benefit | 7(d) | 1,726 | - |
| Total Current Assets | | <u>2,163,811</u> | <u>1,970,142</u> |
| Non-Current Assets | | | |
| Plant and equipment | 11 | 209,788 | 244,892 |
| Intangible assets | 12 | - | 41 |
| Total Non- Current Assets | | <u>209,788</u> | <u>244,933</u> |
| Total Assets | | <u>2,373,599</u> | <u>2,215,075</u> |
| Current Liabilities | | | |
| Creditors and accruals | 13 | 274,643 | 308,251 |
| Provision | 14 | 85,977 | 79,501 |
| Provision for income tax | 7(b) | 29,601 | 60,410 |
| Total Current Liabilities | | <u>390,221</u> | <u>448,162</u> |
| Non-Current Liabilities | | | |
| Deferred income tax liability | 7(c) | - | 1,655 |
| Total Non-Current Liabilities | | <u>-</u> | <u>1,655</u> |
| Total Liabilities | | <u>390,221</u> | <u>449,817</u> |
| Net Assets | | <u>1,983,378</u> | <u>1,765,258</u> |
| Shareholder's Equity | | | |
| Share capital | 15 | 50,000 | 50,000 |
| Retained earnings | | <u>1,933,378</u> | <u>1,715,258</u> |
| | | <u>1,983,378</u> | <u>1,765,258</u> |

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

Dated at Suva this 7th day of April 2017.


Director


Director

The statement of financial position should be read in conjunction with the notes to the financial statements set out on pages 19 to 29.

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2016

| | Note | 2016 \$ | 2015 \$ |
|--|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Fees received from sale of units | | 354,760 | 280,771 |
| Managers remuneration | | 1,790,273 | 1,551,978 |
| Other income received | | 76,118 | 23,409 |
| Net (payments)/receipts from repurchases and creations | | (102,092) | 176,600 |
| Payments to suppliers and employees | | (1,432,432) | (1,158,663) |
| Income tax paid | | (188,261) | (79,911) |
| Net cash from operating activities | | <u>498,366</u> | <u>794,184</u> |
| Cash flows from investing activities | | | |
| Proceeds from term deposit | | - | (3,180) |
| Proceeds from sale of plant & equipment | | 2,551 | 34,482 |
| Net payments for plant & equipment | | <u>(43,683)</u> | <u>(140,600)</u> |
| Net cash (used in) investing activities | | <u>(41,132)</u> | <u>(109,298)</u> |
| Cash flows from financing activities | | | |
| Dividends paid | | <u>(367,383)</u> | <u>-</u> |
| Net cash (used in) financing activities | | <u>(367,383)</u> | <u>-</u> |
| Net increase in cash held | | 89,851 | 684,886 |
| Cash at the beginning of the financial year | | <u>1,730,290</u> | <u>1,045,404</u> |
| Cash at the end of financial year | 17 | <u>1,820,141</u> | <u>1,730,290</u> |

The statement of cash flow should be read in conjunction with the accompanying notes set out on pages 19 to 29.

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Unit Trust of Fiji (Management) Limited is a public company domiciled and incorporated in the Republic of Fiji. The Company was incorporated on 31 December 1976. The address of the Company's registered office is Level 2, Provident Plaza One, Ellery Street, Suva, Fiji. The financial statements were authorized for issue by the directors on 7th April 2017.

The significant policies which have been adopted in the preparation of this financial statement are:

(a) Statement of compliance

The financial statements of the Company have been drawn up in accordance with the provisions of International Financial Reporting Standards ("IFRS"), the requirements of the Companies Act 2015.

(b) Basis of accounting

The financial statements are presented in Fiji dollars, rounded to the nearest dollar. They are prepared on the historical cost basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(c) New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

(d) 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 recognized 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 recognized in the financial statements including the following notes:

Note 1 (e) plant and equipment – depreciation and impairment

Note 1 (h) impairment losses

Note 1 (o) trade receivables – impairment losses

(e) Plant and equipment

Items of plant and equipment are recorded at cost less accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated on a straight-line basis so as to write off the net cost of each item of plant and equipment during its expected useful life.

The principal annual rates in use are:

| | |
|------------------------|-----|
| Furniture and fittings | 10% |
| Office equipment | 15% |
| Computer equipment | 30% |
| Motor vehicles | 20% |

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
 FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

(f) Employee entitlements

Liabilities for wages and salaries, incentive payments and annual leave are recognized and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(g) Investments – held to maturity

The classification of investments is dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Investments that management has the intent and ability to hold to maturity are classified as held-to-maturity. Held-to-maturity investments are measured at amortized cost.

(h) Impairment

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

(i) Trade and other payables

Trade and other payables are stated at amortized cost.

(j) Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(k) Revenue recognition

Preliminary charges

Unit holders of the Unit Trust of Fiji pay an entry fee at a rate of 2% (2015:2%) of application monies. Entry fee income is recognized in profit and loss when the units are created and issued to the unit holders by the Unit Trust of Fiji. Although, this is not charged separately, it is included in the unit selling price.

Manager's rounding

Managers' rounding is the gain from rounding upwards or downwards the unit entry price to the lesser of 1.25 cents or 1% per unit (2015:1%) and is provided for in the Trust Deed. Manager's rounding is recognized in profit and loss when the units are created and issued to unit-holders of the Unit Trust Fund of Fiji.

Management fees

The company is entitled to a management fee of 1.5% (2015:1.5%) of the total value of all Unit Trust of Fiji deposited property. This is payable fortnightly and is calculated on the total value of deposited property of the Unit Trust of Fiji at the beginning of the fortnight and recognized in profit or loss.

(l) Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity in which case it is recognized 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 recognized 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 recognized 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.

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

(m) Operating Lease

While the company is a lessee, the lease rentals payable on operating leases are recognized in profit or loss on straight line basis over the term of the lease.

(n) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and in banks, net of bank overdrafts.

(o) Trade receivables

Trade receivables are measured at amortized cost less impairment losses. The collectability of the debts is assessed at balance date and impairment losses are recognized in profit or loss.

(p) Comparative figures

Comparative information has been restated where necessary to conform to the current year presentation.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were to make investment decisions and to administer the Unit Trust of Fiji.

| | Note | 2016 \$ | 2015 \$ |
|------------------------------|-------|------------------|------------------|
| 3. FEE INCOME | | | |
| Manager's remuneration | | 1,790,272 | 1,551,978 |
| Preliminary charges | | 264,007 | 204,706 |
| Manager's rounding | | 90,753 | 76,065 |
| | | <u>2,145,032</u> | <u>1,832,749</u> |
| 4. OTHER INCOME | | | |
| Transaction fees | | 140 | 174 |
| Gain on sale of fixed assets | | 2,551 | 34,482 |
| Other income | | 75,978 | 23,235 |
| | | <u>78,669</u> | <u>57,891</u> |
| 5. PERSONNEL EXPENSES | | | |
| Directors' emoluments | 16(b) | 23,000 | 23,000 |
| FNPF contributions | | 50,171 | 45,789 |
| Salaries and wages | | 503,760 | 445,215 |
| TPAF levy | | 5,179 | 4,811 |
| | | <u>582,110</u> | <u>518,815</u> |

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

| | Note | 2016 \$ | 2015 \$ |
|-------------------------------------|-------|----------------|----------------|
| 6. OTHER OPERATING EXPENSES | | | |
| Advertising and publicity | | 167,801 | 92,000 |
| Audit fees- Management company | | 2,852 | 8,597 |
| Audit fees- Unit Trust of Fiji | | 16,339 | 9,660 |
| Business promotion and development | | 12,584 | 10,444 |
| Commission to Fiji Development Bank | | 5,000 | 4,000 |
| Insurance | | 41,077 | 40,089 |
| Motor vehicle expense | | 29,691 | 30,429 |
| Printing, postage and stationery | | 39,006 | 37,697 |
| Professional fees | | 98,439 | 85,889 |
| Rental | | 89,451 | 88,567 |
| Telephone | | 18,475 | 20,015 |
| Trustee's remuneration | 16(c) | 113,470 | 102,862 |
| Travelling and accommodation | | 18,722 | 15,269 |
| Other operating expenses | | 170,283 | 136,223 |
| | | <u>823,190</u> | <u>681,741</u> |

7. INCOME TAX

(a) Income Tax Expense/(Benefit)

The income tax expense charged against operating profit differs from the prima facie tax payable and is reconciled as follows:

| | 2016 \$ | 2015 \$ |
|--|----------------|----------------|
| Operating profit before income tax | <u>739,574</u> | <u>602,261</u> |
| Prima facie tax thereon at 20% / (2015:20%) | 147,915 | 120,452 |
| Tax effect of non-deductible items: | | |
| Non-deductible expenses | 6,156 | 5,667 |
| Effect of change in tax rate | | |
| Restatement of DTL | | |
| Under/(over) provision from prior year caused by | | |
| Variation in temporary differences | - | (3,287) |
| Transitional tax at 1% | - | 7,987 |
| Income tax expense / (benefit) | <u>154,071</u> | <u>130,819</u> |
| Income tax expense comprises of: | | |
| Current tax expense | 157,452 | 136,275 |
| Deferred tax expense | (3,381) | (5,456) |
| | <u>154,071</u> | <u>130,819</u> |

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

7. **INCOME TAX - continued**

(b) **Income tax payable/(refundable)**

| | 2016 \$ | 2015 \$ |
|-----------------------------------|------------|------------|
| Balance as at 1 January 2016 | 60,410 | 4,047 |
| Current tax expense | 157,452 | 136,275 |
| Advance tax payments made to FRCA | (188,261) | (79,912) |
| Balance as at 31 December 2016 | 29,601 | 60,410 |

(c) **Deferred income tax liability**

The deferred income tax liability is the liability for the estimated amount of income tax expense to be assessed in the future as a result of reversal of the following timing difference: -

| | | |
|--------------|---|-------|
| Depreciation | - | 1,655 |
|--------------|---|-------|

(d) **Future Income Tax Benefit**

The future income tax benefit is the benefit of an estimated amount of income tax expense to be assessed in the future as a result of reversal of the following timing difference:

| | | |
|--------------|-------|---|
| Depreciation | 1,726 | - |
|--------------|-------|---|

8. **CASH AT BANK AND ON HAND**

| | 2016 \$ | 2015 \$ |
|--------------|------------|------------|
| Cash at bank | 1,820,071 | 1,730,220 |
| Petty cash | 70 | 70 |
| | 1,820,141 | 1,730,290 |

9. **INVESTMENT – HELD TO MATURITY**

At call account with Australia and New Zealand Banking Corporation Limited.

| | |
|--------|--------|
| 59,045 | 59,045 |
|--------|--------|

The term deposit is security for the bank guarantee referred to in Note 20(i).

10. **RECEIVABLES**

| | | |
|----------------------------|---------|---------|
| Manager's remuneration | 134,031 | 106,840 |
| Repurchases reimbursement | 67,789 | 36,708 |
| Receivables - Agency sales | 5,387 | 6,730 |
| Prepayments | 7,447 | 8,340 |
| Other receivables | 68,245 | 22,189 |
| | 282,899 | 180,807 |

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

11. PLANT AND EQUIPMENT

| | Furniture and fittings | Office equipment | Computer equipment | Motor vehicles | Total |
|------------------------------------|-----------------------------------|-----------------------------|-------------------------------|---------------------------|--------------|
| | \$ | \$ | \$ | \$ | \$ |
| COST | | | | | |
| Balance as at 1 January 2015 | 292,621 | 121,133 | 183,972 | 181,500 | 779,226 |
| Additions | 1,850 | 2,335 | 16,183 | 138,000 | 158,368 |
| Disposals | - | - | - | (109,000) | (109,000) |
| Balance as at 31 December 2015 | 294,471 | 123,468 | 200,155 | 210,500 | 828,594 |
| Additions | 1,500 | 1,220 | 7,963 | 62,000 | 72,683 |
| Disposals | - | - | - | (72,500) | (72,500) |
| Balance as at 31 December 2016 | 295,971 | 124,688 | 208,118 | 200,000 | 828,777 |
| DEPRECIATION AND IMPAIRMENT | | | | | |
| Balance as at 1 January 2015 | 238,780 | 92,848 | 155,528 | 106,528 | 593,684 |
| Depreciation charge for the year | 17,315 | 7,664 | 15,246 | 41,026 | 81,251 |
| Disposals | - | - | - | (91,232) | (91,232) |
| Balance as at 31 December 2015 | 256,095 | 100,512 | 170,774 | 56,322 | 583,703 |
| Depreciation charges for the year | 13,585 | 6,915 | 16,886 | 41,400 | 78,786 |
| Disposal | - | - | - | (43,500) | (43,500) |
| Balance as at 31 December 2016 | 269,680 | 107,427 | 187,660 | 54,222 | 618,989 |
| CARRYING AMOUNT | | | | | |
| At 31 December 2015 | 38,376 | 22,956 | 29,382 | 154,178 | 244,892 |
| At 31 December 2016 | 26,291 | 17,261 | 20,458 | 145,778 | 209,788 |

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

12. INTANGIBLE ASSETS

| | Computer Software |
|--|--------------------------|
| COST | \$ |
| Balance as at 1 January 2015 | 168,310 |
| Additions | - |
| Disposals | - |
| Balance as at 31 December 2015 | 168,310 |
| Additions | - |
| Disposals | - |
| Balance as at 31 December 2016 | 168,310 |
| AMORTIZATION AND IMPAIRMENT | |
| Balance as at 1 January 2015 | 161,697 |
| Amortization charge for the year | 6,572 |
| Disposals | - |
| Balance as at 31 December 2015 | 168,269 |
| Depreciation charges for the year | 41 |
| Disposals | - |
| Balance as at 31 December 2016 | 168,310 |
| CARRYING AMOUNT | |
| At 31 December 2015 | 41 |
| At 31 December 2016 | - |

13. CREDITORS AND ACCRUALS

| | 2016 | 2015 |
|------------------------------|-------------|-------------|
| | \$ | \$ |
| Trade creditors and accruals | 274,643 | 308,251 |

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

14. PROVISIONS

Employee entitlement represents annual leave accrued as at 31 December 2016.

| | 2016 | 2015 |
|----------------------|---------------|---------------|
| | \$ | \$ |
| Opening balance | 79,501 | 67,378 |
| Accrued in the year | 40,569 | 22,597 |
| Utilized in the Year | (34,093) | (10,474) |
| Closing Balance | <u>85,977</u> | <u>79,501</u> |

15. SHARE CAPITAL

Authorized capital:

| | | |
|------------------------------------|---------------|---------------|
| 50,000 ordinary shares of \$1 each | <u>50,000</u> | <u>50,000</u> |
|------------------------------------|---------------|---------------|

Issued and paid up capital:

| | | |
|------------------------------------|---------------|---------------|
| 50,000 ordinary shares of \$1 each | <u>50,000</u> | <u>50,000</u> |
|------------------------------------|---------------|---------------|

16. RELATED PARTIES

(a) Identity of related parties

The Company has a related party relationship with the Government of Fiji, Unit Trust of Fiji, its directors and executive officers.

UTOFMGT is 100% owned by the Government of Fiji and operates under the umbrella of the Ministry of Public Enterprise and the Ministry of Economy. During the year, dividend of \$131,662 and \$235,721 was declared and paid from the net profit for the years ended 31 December 2014 and 2015 respectively. There were no other transactions with the Government of Fiji.

The names of the directors during the year and up to the date of approval of these financial statements were:

Shaenaz Voss – Chairperson
Maciu Lumelume - Director

During the year, the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for planning, directing and controlling the activities of the Company: Mr. Vilash Chand (Chief Executive Officer), Mr. Gyanesh Rueben (Manager Finance & Operations), Mr. Sakiusa Bolaira (Manager Business Development) and Ms. Elenoa Kaloumaira (Manager Investment).

(b) Directors' fees and emoluments

| | 2016 | 2015 |
|-----------------|-------------|-------------|
| | \$ | \$ |
| Directors' fees | 23,000 | 23,000 |

(c) Other

Mr. Anil Tikaram and Mr. Iowane Naiveli were Trustees of the Unit Trust of Fiji for the year ended 31 December 2016. Remuneration totaling \$113,470 (2015 – \$102,862) was paid to the Trustees during this period. The following are details of the fees paid to them:

Mr. Anil Tikaram - \$56,735 (2015: \$51,431)
Mr. Iowane Naiveli - \$56,735 (2015: \$51,431)

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

16. RELATED PARTIES - continued

(d) Amounts owing to and from related parties

| | 2016 | 2015 |
|--|----------------|----------------|
| | \$ | \$ |
| Owing to the Unit Trust of Fiji | | |
| Bank charges | 372 | 1,144 |
| Manager's remuneration | - | 19,009 |
| | <u>372</u> | <u>20,153</u> |
| Owing by the Unit Trust of Fiji | | |
| Manager's remuneration | 134,031 | 106,840 |
| Reimbursement of repurchases | 67,789 | 36,708 |
| Rounding | 12,394 | 1,092 |
| Preliminary Charges | 33,129 | 3,674 |
| | <u>247,343</u> | <u>148,314</u> |

(e) Key management personnel compensation

The aggregate compensation of the key management personnel comprises only short-term benefits as set out below:

| | | |
|---------------------|----------------|----------------|
| Short-term benefits | <u>275,700</u> | <u>238,212</u> |
|---------------------|----------------|----------------|

17. CASH AND CASH ON HAND

For the purposes of the cash flow statement, cash and cash on hand include the following:

| | | |
|--------------------------|------------------|------------------|
| Cash at bank and on hand | <u>1,820,141</u> | <u>1,730,290</u> |
|--------------------------|------------------|------------------|

18. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Lease as lessee

Non-cancellable operating lease rentals are payable as follows:

| | | |
|---|----------------|---------------|
| Not later than one year | 90,647 | 86,073 |
| Later than one year and not later than five years | 128,416 | - |
| | <u>219,063</u> | <u>86,073</u> |

(b) Operating lease

The company has leased office premises in the Downtown Boulevard from the Fiji National Provident Fund. \$90,647 payable each year (lease period 01.06.2016 – 31.05.2019).

(c) Capital commitments

There were nil capital commitments as at balance date (2015: \$nil).

(d) Contingent Liabilities

A bank guarantee of \$40,000 was given to the Government of Fiji, under s 5 (2) of the Unit Trust Act 1978, secured by a term deposit.

19. EMPLOYEE NUMBERS

| | 2016 | 2015 |
|--|-------------|-------------|
| Number of employees at the end of the financial year | <u>14</u> | <u>13</u> |

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

20. RISK MANAGEMENT POLICIES

The Company is exposed to the risks as mentioned below:

- Market risk
- Liquidity risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk.

Market Risk

I. Interest Risk

The Company does not have any borrowings so is not exposed to changes in interest rates on borrowings. The only impact from changes in interest rates are the Company cash balances and term deposits and is not expected to have a material impact on the Company. Through its investment policy the company aims to balance its portfolio through short term deposits.

At the reporting date the interest profile of the Company's interest bearing financial instruments was:

| Fixed rate instrument | Carrying Amount | |
|-----------------------|-----------------|------------|
| | 2016 \$ | 2015 \$ |
| Term Deposits | 59,045 | 59,045 |

Fair value sensitivity analysis for fixed instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, change interest rates at reporting date would not affect the income.

II. Credit Risk

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

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date was:

| | 2016 \$ | 2015 \$ |
|--------------------------------|------------------|------------------|
| Cash at bank | 1,820,141 | 1,730,290 |
| Trade and other receivables | 282,899 | 180,807 |
| Investments – held to maturity | 59,045 | 59,045 |
| | 2,162,085 | 1,970,142 |

Liquidity Risk

This is the risk that the Company will not be able to fulfill its short-medium term commitments.

Management intends to constantly monitor the flow of funds to meet its day to day operational costs and also to meet normal unit holders' redemption requests. The Company does not have any interest bearing liabilities. Trade creditors and accruals are paid in the 30 days' term.

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
 FOR THE YEAR ENDED 31 DECEMBER 2016

20. RISK MANAGEMENT POLICIES - continued

Operational Risk

I. Data Risk

The Manager, at all times, ensures data confidentiality and security of all unit holders' information and other relevant information. However, to minimize the risk of losing any important information, a Disaster Recovery Plan is developed in addition with frequent backups of electronic data.

II. Legal Risk

Legal risk is defined as being legally non-compliant due to changes in Government and Regulators current policies and regulations.

Management monitors changes to regulations for compliance and implementation of market best practices. In addition, the Company's three-year strategic plan also ensures that all the operational processes comply with the relevant regulatory requirements.

III. Operational Risk

The above risk arises during the implementation of strategies by management to enhance growth. The Company has developed an operations manual, a three-year strategic plan and annual key performance indicators to ensure all operational processes are in line with necessary future plans and expectations.

21. PRINCIPAL BUSINESS ACTIVITY

The principal business activity of the company is to make investment decisions and the administration of the Unit Trust of Fiji.

22. REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The registered office and principal place of business for Unit Trust of Fiji (Management) Limited is:
 Level 2, Provident Plaza One, Ellery Street, Suva, Fiji

The company is a limited liability company incorporated in the Republic of Fiji

UNIT TRUST OF FIJI (MANAGEMENT) LIMITED
DETAILED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 DECEMBER 2016

| | 2016 | 2015 |
|-------------------------------------|------------------|------------------|
| | \$ | \$ |
| INCOME | | |
| Manager's remuneration | 1,790,272 | 1,551,978 |
| Preliminary charges | 264,007 | 204,706 |
| Rounding | 90,753 | 76,065 |
| Gain on sale of plant and equipment | 2,551 | 34,482 |
| Other | 76,118 | 23,409 |
| | <u>2,223,701</u> | <u>1,890,640</u> |
| EXPENDITURE | | |
| Advertising and publicity | 167,801 | 92,000 |
| Audit fees – Management Company | 2,852 | 8,597 |
| Audit fees – Trust Company | 16,339 | 9,660 |
| Bank charges | 8,494 | 7,691 |
| Business promotion & development | 12,584 | 10,444 |
| Cleaning | 6,217 | 6,576 |
| Directors' emoluments | 23,000 | 23,000 |
| Depreciation | 78,827 | 87,823 |
| Electricity | 16,087 | 14,573 |
| Commission | 2,500 | 7,205 |
| FDB Fees | 5,000 | 4,000 |
| FNPF | 50,171 | 45,789 |
| Insurance | 41,077 | 40,089 |
| License | 7,738 | 1,910 |
| Motor vehicle expense | 29,691 | 30,429 |
| Printing, postage and stationery | 39,006 | 37,697 |
| Professional fees | 98,439 | 85,889 |
| Repairs & maintenance | 34,718 | 19,530 |
| Rental | 89,451 | 88,567 |
| Salaries & wages | 503,760 | 445,215 |
| Sundry | 29,151 | 31,277 |
| Staff Training | 64,254 | 37,978 |
| Staff amenities | 1,124 | 9,483 |
| Telephone | 18,475 | 20,015 |
| TPAF Levy | 5,179 | 4,811 |
| Trustee's remuneration | 113,470 | 102,862 |
| Traveling & accommodation | 18,722 | 15,269 |
| | <u>1,484,127</u> | <u>1,288,379</u> |
| Profit before tax | <u>\$739,574</u> | <u>\$602,261</u> |

Corporate Directory

| | |
|--------------------------------|--|
| The Fund | Unit Trust of Fiji |
| The Manager | Unit Trust of Fiji (Management) Limited |
| Registered Office | Level 2, Provident Plaza 1, 33 Ellery Street, Suva, Fiji |
| Postal Address | GPO Box 14451, Suva, Fiji |
| Customer Care Centre | Level 2, Provident Plaza 1, Ellery Street, Suva, Fiji Tel: (679) 3301 052, 3309 698, 3314 544 Fax: (679) 3315376 |
| Website | www.unittrustfiji.com.fj |
| Email | info@unittrustfiji.com |
| Board of Directors | Mrs Shaenaz Voss (Chairperson) Mr Maciusela N Lumelume |
| Chief Executive Officer | Mr Vilash Chand |
| Auditor | Office of the Auditor General 8 th Floor, Ratu Sukuna House, MacArthur Street, Suva, Fiji |
| The Trustee | Unit Trust of Fiji (Trustee Company) Limited |
| Registered Office | Level 2, Provident Plaza 1, Ellery Street, Suva, Fiji |
| Postal Address | G P O Box 14451, Suva, Fiji |
| Board of Directors | Mr Iowane Naiveli Mr Anil K Tikaram |
| Auditor | BDO Level 10, FNPF Place, 343 Victoria Parade, Suva, Fiji |
| Solicitors | Mitchell & Keil 10 Gorrie Street, Suva, Fiji R Patel & Co 360 Victoria Parade, Suva, Fiji |
| Bankers | HFC Bank, ANZ, WBC, BSP |

your investment fund

Invest Online - www.unittrustfiji.com.fj