

Chamber of Commerce & Industry of Port Vila

Financial Statements

For the year ended

31 December 2013

Chamber of Commerce & Industry of Port Vila

For the year ended 31 December 2013

Financials

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Chamber of Commerce & Industry of Port Vila

Members of the Councils' Report For the year ended 31 December 2013

The Council present their report together with the financial statements of Chamber of Commerce & Industry of Port Vila, for the year ending 31 December 2013 and the Auditor's report thereon.

Members

Names	Industry Sector
Jacques Nioteau	Small Business
Thomas Bayer	Finance
Geordie Mackenzie-Ruer	Manufacturing
David Russet	Agriculture
Morgan Bragg	Tourism
Leitonga Kalsakau	Small Business
Daniel Faivre	Shipping Industry
Bryan Death	Tourism
Anita Deroin	Women's Group
Narcisse Sumtoh	Large Business
James Roy Matariki	Building Construction
Alain Lew	Large Business
Jioji Konusi	Finance
Chris Kernot	Transport Maritime Shipping
Joseph Laloyer	Air Transport
Paul Stafford	Public Utility
Donald Massing	Land transport

In the opinion of the Members of the Council.

(a) the accompanying financial statements set out in the following sections of the financial statements:

- Statement of Comprehensive Income
- Statement of Changes in Equity
- Balance Sheet
- Statement of Cash Flows
- Notes, comprising a summary of significant accounting policies and other explanatory notes.
- Income Statement

are drawn up so as to give a true and fair view of the state of affairs of the Chamber as at 31 December 2013 and of the results, changes in equity and cash flows of the Chamber for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Chamber will be able to pay its debts as and when they fall due.

The Council has, on the date of this statement, authorised these financial statements for issue.

Date at Port Vila this 29 day of April 2014



President



1st Vice President

**Independent Audit Report
To The Members of
Chamber of Commerce & Industry of Port Vila**

Scope

We have audited the accompanying balance sheet of the Chamber of Commerce & Industry of Port Vila as at 31st December 2013, and the related statements of profit and loss and cash flows for the year then ended. The Council of the Chamber of Commerce & Industry is 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.

Our audit has been conducted in accordance with International Auditing Guidelines to provide reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. 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 applicable accounting standards and statutory requirements so as to present a view which is consistent with our understanding of the financial position and the results of its operations.

The financial statements have been prepared for distribution to the members. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Members, or for any other purpose other than that for which it was prepared.

Qualified Audit opinion

The comparative figures for the year ended 31 December 2012 were not audited by us. We are therefore unable to express an opinion on those figures or on the results for the year ended 31 December 2013 to the extent that they might be affected by balances at 31 December 2012.

We have obtained all other information and explanations that we have required.

In our opinion,

- a) the financial statements referred to above have been properly prepared in accordance with the provisions of the Chamber of Commerce & Industry of Vanuatu Act and applicable accounting standards so as to give a true and fair view of the state of the Council's affairs at 31st December 2013, and the results of its operations for the year ended on that date and
- b) the books of account and registers required by the Chamber of Commerce & Industry of Vanuatu Act No4 of 1995 [CAP236] have been properly kept.



Sanders & Co
Chartered Accountants

Qualified pursuant to Section 166
of the Companies Act [Cap 191]
Of the Republic of Vanuatu

Dated this 30 day of April 2014

Chamber of Commerce & Industry of Port Vila

Statement of Comprehensive Income

For the year ended 31 December 2013

(Expressed in Vatu)

	Note:	2013	2012
Income			
Sales	3	52,871,555	74,041,545
Total Income		52,871,555	74,041,545
Expenses			
Operating Expenses	4	51,012,891	72,059,381
Total Expenses		51,012,891	72,059,381
Profit from operations		1,858,664	1,982,164
Financing costs	5	1,839,438	2,211,618
Other Comprehensive Income		-	-
Profit for the year		19,226	(229,454)

Chamber of Commerce & Industry of Port Vila

Statement of Changes in Equity

For the year ended 31 December 2013

(Expressed in Vatu)

	Retained Earnings	Revaluation Surplus	Total
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2013

Balance at the start of the year	81,553	1,894,531	1,976,084
Profit for the year	19,226	-	19,226
Balance at the end of the year	100,779	1,894,531	1,995,310

2012

Balance at the start of the year	311,007	1,894,531	2,205,538
Profit for the year	(229,454)	-	(229,454)
Balance at the end of the year	81,553	1,894,531	1,976,084

Chamber of Commerce & Industry of Port Vila

Balance Sheet

As at 31 December 2013

(Expressed in Vatu)

	Note:	2013	2012
Equity			
Reserves	12	1,894,531	1,894,531
Retained Earnings		100,779	81,553
Total Equity		1,995,310	1,976,084
<i>Represented by</i>			
Assets			
Cash & Cash Equivalents	6	781,292	1,637,594
Receivables	7	7,381,450	5,152,175
Other Receivables	8	811,622	143,684
Total Current Assets		8,974,364	6,933,453
Fixed Assets	9	25,366,560	26,943,722
Total Non-current Assets		25,366,560	26,943,722
Total Assets		34,340,924	33,877,175
Liabilities and Equity			
Bank Overdraft	6	31,494	-
Payables		1,093,292	1,187,957
Accruals		6,754,950	4,469,303
Borrowings	10	1,332,192	1,018,917
Provisions	11	1,209,728	983,646
Total Current Liabilities		10,421,656	7,659,823
Borrowings	10	12,100,753	13,746,220
Provisions	11	9,823,205	10,495,048
Total Non-Current Liabilities		21,923,958	24,241,268
Total Liabilities		32,345,614	31,901,091
Net Assets		1,995,310	1,976,084



 President



 1st Vice President

Chamber of Commerce & Industry of Port Vila

Statement of Cash Flows

For the year ended 31 December 2013

(Expressed in Vatu)

	Note:	2013	2012
Cash Flow from Operating Activities			
<i>Cash was provided from:</i>			
Receipts from Donors and Customers		52,871,555	74,041,545
		52,871,555	74,041,545
<i>Cash was applied to:</i>			
Payments to Suppliers and Employees		(48,642,377)	(67,382,606)
Interest Paid		(1,839,438)	(2,211,618)
		(50,481,815)	(69,594,224)
Cash Generated from/(used in) Operating Activities	14	2,389,740	4,447,321
Cash Flow from Investing Activities			
Purchase of Fixed Assets		(1,945,344)	(2,217,750)
Proceeds from Sale of Fixed Assets		-	-
Net Cash Used in Investing Activities		(1,945,344)	(2,217,750)
Cash Flow from Financing Activities			
Movements in Borrowings		(1,332,192)	(2,512,277)
Net Cash generated from/(used in) Financing Activities		(1,332,192)	(2,512,277)
Net Increase/(Decrease) in Cash Held		(887,796)	(282,706)
Cash at beginning of the year		1,637,594	1,920,300
Cash at end of the year	6	749,798	1,637,594

Chamber of Commerce & Industry of Port Vila

Notes to the Financial Statements

For the year ended 31 December 2013

(Expressed in Vatu)

1. *General Information*

The financial statements cover the Chamber of Commerce & Industry of Port Vila as an individual entity, which is an organisation established in Vanuatu by the Chambers of Commerce and Industry of Vanuatu Act No 4 of 1995 [CAP236]

2. *Significant accounting policies*

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) *Statement of compliance*

The financial statements of the company are prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB), interpretations issued by the Standing Interpretations Committee of the IASB and the requirements of the Vanuatu Companies Act [CAP 191].

(b) *Basis of preparation*

The financial statements have been prepared in accordance with section 10 of the Chambers of Commerce and Industry of Vanuatu Act [CAP 236]. The financial statements are presented in Vanuatu currency (Vatu). They are prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The accounting policies are consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous period.

(c) *Comparative information*

Where necessary, comparative information has been re-classified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(d) *Property, plant and equipment*

(i) Acquisitions

Property, plant and equipment are stated at independent valuation, less accumulated depreciation. All items purchased after the date of valuation are stated at cost less depreciation.

(ii) Revaluation surplus

Revaluation surplus is credited directly to equity under the heading of Asset Revaluation Reserve. Upon disposal of an asset, the gain is transferred to retained earnings. Any loss is recognised in the profit and loss account.

(iii) Disposal of assets

The gain or loss on disposal of assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal, and is included in the results in the year of the disposal.

(iv) Depreciation

Leasehold Land & Buildings	40 years
Motor Vehicles	5 years
Furniture and Fittings	5 years
Computer Equipment	3 years
Other Equipment	3 years
Container	5 years
Donor Funded Equipment	variable

(e) *Receivables*

Receivables are stated at the amount that they are estimated to realise.

Chamber of Commerce & Industry of Port Vila

Notes to the Financial Statements

For the year ended 31 December 2013

(Expressed in Vatu)

(f) *Cash and cash equivalents*

Cash and cash equivalents comprises cash balances and term deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(g) *Employee benefits*

(i) *Annual leave*

Annual leave is calculated on employee leave entitlement at balance date, at the current rate of remuneration. The liability for annual leave is shown as a current provision in the balance sheet.

(ii) *Severance allowance*

Severance allowance is calculated using the present value of the estimated future cash outflows to be made by the employer resulting from employees' services to balance sheet date.

Severance allowance is calculated at the rate of one months salary for each year of service. It is assumed that employees will remain in the company's employment for the period necessary to qualify for the respective entitlements.

(iii) *Vanuatu National Provident Fund (VNPF)*

Contributions to the VNPF are expensed as incurred.

(h) *Provisions*

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

(i) *Payables*

Payables are stated at their cost.

(j) *Value Added Tax (VAT)*

Where applicable, the profit and loss account is prepared so that all components are stated exclusive of VAT. All items in the balance sheet are stated net of VAT, with the exception of receivables and payables which include VAT invoiced.

(k) *Foreign currency*

Foreign currency transactions are translated to Vatu at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies as at balance sheet date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account in the profit and loss account in the financial period in which the exchange rates change.

(l) *Going concern*

The financial statements of the company have been prepared on a going concern basis which assumes continuity of normal business activities and the settlement of liabilities in the ordinary course of operations. The Directors consider the going concern principle to be applicable in the preparation of these financial statements given the company is able to pay its debts as and when they become due and payable.

Chamber of Commerce & Industry of Port Vila

Notes to the Financial Statements

For the year ended 31 December 2013

(Expressed in Vatu)

3. Revenue	Note	2013	2012
Members Subscriptions		18,546,242	18,189,704
Government Subvention		3,671,988	4,313,180
Business Mentors - New Zealand		1,543,610	1,786,318
Donor Contributions - ILO & PITIC Funding		-	100,734
Donor Contributions - TVET Funding		1,130,280	1,717,113
Hire of Conference Room & Equipment		285,000	20,000
Wik Blong Vanuatu		2,935,465	27,959,161
Training Fees		22,862,820	19,540,710
Other Income		1,896,150	414,625
		52,871,555	74,041,545
4. Expenses		2013	2012
Operating Expenses		51,012,891	72,059,381
Operating Expenses include the following items:			
Auditors' remuneration-audit of financial statements		250,000	300,000
Bad and doubtful debts		1,873,575	-
Depreciation of property, plant and equipment		3,522,506	3,163,351
Employee Expenses		27,484,138	31,773,173
5. Financing costs		2013	2012
Interest expense		1,839,438	2,211,618
6. Cash and cash equivalents		2013	2012
Cash on Hand		60,000	60,000
Bank balances		721,292	1,577,594
		781,292	1,637,594
Bank overdraft		(31,494)	-
Cash and cash equivalents in the statement of cashflows		749,798	1,637,594
Bank overdraft is secured by existing registered mortgage leasehold over property title number 11/OE23/029. The interest rates applied are variable.			
7. Receivables		2013	2012
Trade Debtors		11,055,025	6,952,175
Less Provision for Doubtful Debts		(3,673,575)	(1,800,000)
		7,381,450	5,152,175
8. Other Receivables		2013	2012
Refundable Deposits		188,684	143,684
Prepayments		20,627	-
Sundry Debtors		602,311	-
		811,622	143,684

Chamber of Commerce & Industry of Port Vila

Notes to the Financial Statements

For the year ended 31 December 2013

(Expressed in Vatu)

9. Property, plant and equipment

	<u>2013</u> Valuation	<u>2013</u> Cost	<u>2013</u> Acc Depn	<u>2013</u> NBV
Leasehold Land & Buildings	23,707,500	179,521	3,050,081	20,836,940
Motor Vehicles		3,585,000	3,585,000	-
Furniture and Fittings		2,518,301	1,805,283	713,018
Computer Equipment		4,740,278	3,791,826	948,452
Other Equipment		5,969,676	3,506,409	2,463,267
Container		230,701	230,701	-
Donor Funded Equipment		2,540,428	2,135,545	404,883
	<u>23,707,500</u>	<u>19,763,905</u>	<u>18,104,845</u>	<u>25,366,560</u>
	<u>2012</u> Valuation	<u>2012</u> Cost	<u>2012</u> Acc Depn	<u>2012</u> NBV
Leasehold Land & Buildings	23,707,500	179,521	2,421,489	21,465,532
Motor Vehicles		3,585,000	3,585,000	-
Furniture and Fittings		2,338,301	1,372,649	965,652
Computer Equipment		4,789,834	2,900,187	1,889,647
Other Equipment		4,154,776	2,566,477	1,588,299
Container		230,701	215,328	15,373
Donor Funded Equipment		2,540,428	1,521,209	1,019,219
	<u>23,707,500</u>	<u>17,818,561</u>	<u>14,582,339</u>	<u>26,943,722</u>

Reconciliation of Fixed Assets

	<u>2013</u>	<u>2012</u>
Net book value brought forward	26,943,722	27,889,323
Additions	1,945,344	2,217,750
Less Disposals at written down value	-	-
Less Depreciation	(3,522,506)	(3,163,351)
Net book value carried forward	<u>25,366,560</u>	<u>26,943,722</u>

As at 10 February 2009, the land and building, title number (11/OE23/029) was revalued on the basis of market value. The valuation was vt23,707,500. The Asset Revaluation Reserve was credited with the resultant increase in value.

10. Borrowings

	<u>2013</u>	<u>2012</u>
Current		
Bank loans	1,332,192	1,018,917
Non-Current		
Bank loans	12,100,753	13,746,220
	<u>13,432,945</u>	<u>14,765,137</u>

The Land & Building loan is secured by a First Registered Mortgage (Title 11/OE23/029), Deed of Equitable Charge and insurance over the building, including cyclone cover with the Bank's interest noted thereon. The term of the loan is 15 years commencing 2009, the interest rate of 11.75% is variable.

11. Provision

	<u>2013</u>	<u>2012</u>
Current		
Annual leave provision	1,209,728	983,646
Non-current		
Severance leave provision	<u>9,823,205</u>	<u>10,495,048</u>

Chamber of Commerce & Industry of Port Vila

Notes to the Financial Statements

For the year ended 31 December 2013

(Expressed in Vatu)

12. Reserves	2013	2012
Asset Revaluation Reserve	1,894,531	1,894,531

The Asset Revaluation Reserve reflects the increase in value of the Chamber's Land and Buildings (title 11/OE23/029) to vt23,707,500 based on a valuation dated 10 February 2009.

13. Financial Instruments

Exposure to credit and interest rate risks arises in the normal course of the company's business.

Credit Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The company does not require collateral in respect of financial assets.

At balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Interest Rate Risk

The company's exposure to interest rates and the effective interest rates of financial assets and liabilities at balance date are as follows:

Bank Loan 11.75%

All other financial assets or financial liabilities are non-interest bearing.

Foreign currency risk

The company is exposed to minimal risk on financial assets and liabilities that are denominated in a currency other than Vatu.

Fair values of financial assets and liabilities

The aggregate net fair values of financial assets and liabilities at the balance date approximate the carrying values.

14. Reconciliation of net surplus/(deficit) for year with net cash inflow from operating activities.

	2013	2012
Net surplus/(deficit) for the year	19,226	(229,454)
Add/(Less) Non-cash Items		
Depreciation	3,522,506	3,163,351
Bad and doubtful debts	1,873,575	-
	5,396,081	3,163,351
Add/(Less) Movements in Working Capital Items:		
Receivables	(4,102,850)	(1,776,775)
Other Debtors & Prepayments	(667,938)	-
Owing to Creditors & Other Creditors	2,190,982	(714,479)
Provisions	(445,761)	4,004,678
	(3,025,567)	1,513,424
Net Cash Flow from/(used in) Operating Activities	2,389,740	4,447,321

15. Contingencies

The Directors are not aware of any contingent liabilities as at the date of signing the Directors Report.

16. Post balance sheet events

No events have occurred since the balance sheet date which would require any adjustment to or disclosure in the financial statements.

Chamber of Commerce & Industry of Port Vila

Disclaimer

The additional financial data presented on page 15 is in accordance with the books and records of the Chamber of Commerce & Industry of Port Vila which has been subjected to the auditing procedures applied in our statutory audit of the entity for the year ended 31 December 2013. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

The additional financial data has been prepared at the request of and exclusively for the use and benefit of the entity only, and neither the firm nor any employee of the firm accept any responsibility whatsoever to any other party.



Sanders & Co
Chartered Accountants.

Qualified pursuant to Section 166
of the Companies Act [Cap 191]
of the Republic of Vanuatu

Dated this *30* day of *April* 2014.

Chamber of Commerce & Industry of Port Vila

Revenue Account

For the year ended 31 December 2013

	2013	2012
Sales		
Members' Subscriptions (Business Licence)	18,546,242	18,189,704
Wik Blong	2,935,465	27,959,161
Govt. Subvention	3,671,988	4,313,180
Business Mentor NZ	1,543,610	1,786,318
Donor Contribution - ILO & PITIC Funding	-	100,734
Donor Contribution - TVET	1,130,280	1,717,113
Hire of Conference Room & Equipment	285,000	20,000
Training Fees	22,862,820	19,540,710
Other Income	1,896,150	414,625
Total Income	52,871,555	74,041,545
Expenses		
Advertising & Publicity	289,667	831,100
Annual General Meeting	93,130	167,590
Audit Fees	250,000	300,000
Bad debts	1,873,575	-
Bank Charges	109,722	95,200
Building Repair & Maintenance	97,534	67,620
Computer Equipment Purchases	2,700	62,400
Computer Equipment Repair	83,251	285,355
Depreciation Expense	3,522,506	3,163,351
Donations & Contributions	10,000	5,000
Electricity	1,495,310	1,568,889
Employment Expenses	27,484,138	31,773,173
Fuel & Oil	464,128	390,181
General Repair & Maintenance	219,443	825,752
Insurance	422,404	425,353
Land Rent & Property Tax	150,828	150,828
Legal & Accounting	278,305	-
Office Expenses	1,567,558	1,365,016
Office Rent	2,318,333	970,625
Postage & Shipping	12,360	14,620
Printing & Stationeries	1,811,083	1,755,375
Security Service	368,000	384,000
Telephone/Fax	1,065,089	1,081,196
Trade & Investment	167,376	438,316
Trade Fair - New Caledonia	2,064,535	22,233,822
Trainers - Fees	3,597,800	2,603,000
Travelling & Enter - Local	403,615	196,900
Travelling & Enter - Overseas	-	128,255
Vehicle Legal Fees	24,318	24,318
Vehicle Repair & Maint.	725,134	373,707
Volunteer Support	17,600	334,600
Water	23,449	43,839
Total Expenses	51,012,891	72,059,381
Operating Profit	1,858,664	1,982,164
Finance Costs		
Interest Expense	1,839,438	2,211,618
Net profit	19,226	(229,454)