

VANUATU NATIONAL PROVIDENT FUND



ANNUAL REPORT 2014

About Us

Our Vision

A growing, sustainable, well managed, accountable, social security fund serving the best interests of Ni-Vanuatu.

Our Mission

Our mission is to identify and administer social security benefits that improve the economic and social welfare of Ni-Vanuatu. It is also to invest in assets that generate a real return to the fund and makes significant contribution towards a just society of educated, healthy, wealthy Ni-Vanuatu and other eligible fund members.

Our Core Values

Our core values are; dedication to the Fund members and customers, transparency and integrity in fund management and decision making, creativity, accountability to the Fund's members, team work with all key stakeholders, commitment to human capital development, being forward looking and sustainability.

Our History

The Vanuatu National Provident Fund was established in 1987 under an Act of Parliament tabled and billed by the Ministry of Home Affairs (Ministry of Internal Affairs) of the late Fr. Walter Lini government. It was designed to provide a measure of financial support for members and their families upon the onset of retirement, permanent mental and physical incapability for work or a member's death. This support had initially been in the form of lump sum payment comprising of their contributions paid to the Fund by the member and their employee and additional interest thereon. The income from the contributions of members are invested by the Board in conformity with the law having regard to the interests of the members of the Fund and the need to assist in the financing of the country's economic and social development. The income from the investment is applied towards the administration of the scheme and the annual interest is credited to the members.

This type of social security was determined by the Government to be best suited to the needs of the country after careful consideration of a number of studies carried out at the Government's request by the International Labour Organisation. The drawing up of the complex legislation and administrative framework of the Fund scheme was provided through technical assistance of the ILO through a project funded by the UNDP. Upon the termination of the UNDP funded project, the United Kingdom agreed to provide further technical assistance to oversee the implementation of the scheme and to develop and maintain the computerised records. They also donated the computer equipment used then by the Fund.

To date, VNPF has made substantial progress in its capacity to serve a customer base of around 20,000 members. A number of schemes have been established over the years to suit the ever changing economic environment and the social changes in the society. A subsidiary company, the Member Financial Services Limited, was established to cater for the processing of loans to members of the Fund. These accomplishments have in so many ways ameliorated the livelihoods of Fund member's.

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Chairman's Presentation for the FY ending 31 December 2014

C/- Vanuatu National Provident Fund

P.O. Box 420

Port Vila

16 June 2016

Hon. Gaetan Pikioune

Minister of Finance

Ministry of Finance & Economic Management

Port Vila

Dear Hon. Minister,

VNPF 2014 Annual Report

As required under Section 21(1) of the Vanuatu National Provident Fund Act [CAP 189] [as amended], I have pleasure in presenting the 26th Annual Report of the Vanuatu National Provident Fund for the year ending 31 December 2014.

Yours faithfully,



Tony A. Sewen

Chairman

Board of Trustees

General Manager's Report

On behalf of the Vanuatu National Provident Fund Board, I take pleasure in presenting this report, together with its audited financial statements for the financial year ended 31 December 2014.

The Fund has been committed to addressing issues of governance, transparency, accountability, and fairness and bringing back the trust of Members in a financially secure provident fund. The Fund is committed towards investing in assets that generate a real return to Members. In this regard, management of the Fund has been working closely with the regulator (Reserve Bank of Vanuatu) to implement a strong corporate governance and ensure policies are complied with. New policies have also been developed in this regard.

This report shows that membership of the Fund continues to grow, as does the contributions collected. Having said that, compliance by Employers towards paying contributions and surcharges is a continuous battle faced by the Fund, often resulting in civil litigation cases which have been steadily increasing.

To quell non-compliance to the VNPF Act, an awareness campaign targeting employers with 50 plus workers was run between April and July. Members were also informed on the rationale behind the payment of zero percent interest credit ratings into their accounts in the 2013 FY.

More importantly, efforts made in public awareness were also to educate Members and Employers in the Fund's Five Year Strategic Plan (2014-2018) which has been developed as a way forward towards improving the operations and management of the Fund.

There was an increase in recruitment and appointment of VNPF staff, as part of the implementation of the new Strategic Plan, although this is an ongoing process which the Fund is still working towards achieving all the targets identified in the Plan.

Highlights of the Year

- Compared to a zero (0) percent credit payment to Members accounts in the 2013 Financial Year, in 2014, the Fund showed signs of recovery when the VNPF Board declared a 1.25% credit payment into Members accounts on their opening balances. An operating gain of Vt64 million had been made.
- Members' balance grew by 3%, totalling Vt17 billion as at 31 December 2014 compared to Vt16 billion as at 31 December 2013.
- Total investment value of Member's funds at the end of year 2014 showed a slight increase to Vt16.33 billion compared to Vt15.34 billion in 2013.
- Total investment income of Vt 1.14 billion was registered, although this is slightly less than the 2013 FY of Vt1.15 billion.
- Business policies were developed to strengthen investment, human resources and management of the Fund's finances
- The archiving system was improved allowing staff to retrieve Member records more easily, thereby bringing a more efficient service to customers/Members
- The Fund adopted a new logo and policy in the efforts towards improving its corporate image
- Establishment of a Procurements Section to ensure accurate and appropriate tendering procedures

General Manager's Report

Appreciation and Acknowledgement

Credit is owing to the VNPF Board of Trustees for their guidance and support throughout the 2014 FY, VNPF staff for their commitment and teamwork, members, employers, church groups, chiefs, women's groups, youths and anyone who gave their support throughout the challenges faced in this year, and the Government of the Republic of Vanuatu, the Ministry of Finance and Economic Management, the Reserve Bank of Vanuatu and other Government departments and agencies for their support and assistance.

Last but not least, we thank the Almighty for his providence and we would like to assure you all that we will continue to ensure that the Fund continues to prosper and grow towards providing for the Members in their retirement.



Viliame Baleitavua
Acting Chief Executive Officer

Board of Trustees

1. BOARD COMPOSITION

1.1 Board of Trustees

The VNPF Board of Trustees ("the Board") is a body corporate established under Section 2(1) of the VNPF Act [CAP 189] ("the Act"). Composition of the Board is provided for under Section 3 of the Act, stating that there shall be 6 members, appointed by the Honourable Minister of Finance. Each member represents different sectors.

As of December 2014 the Board of Trustees consisted of:

Board Composition	Representative	Appointed
Simil Johnson Chairman,	Government Rep	27 November 2014
Alain Lew	Deputy Chairman, Employer Rep	23 September 2014
Willie Ben Karie	Member, Employer Rep	23 September 2014
Makin Valia	Member, Government Rep	13 June 2013
Ephraim Kalsakau	Member, Employee Rep	28 June 2013
Henlyn Saul	Member, Employee Rep	19 Dec 2014
Santos Vatoko	General Manager & ex officio member	

Board of Trustees

1.2 Medical Board

Dr Basil Leodoro	Chairman
Dr Willie Tokon	Member
Santos Vatoko	Member, GM & Ex Officio Member

In 2014 the Medical Board met 8 times. For each meeting, the Chairman of the Medical Board receives VT12,000 and Member receives VT10,000.

1.3 Member Financial Services Limited (MFSL) Board

Simil Johnson	Chairman, Board rep
Henlyn Saul	Member, Board rep
Santos Vatoko	Member, GM
Paul Kaun	Member, Director Investment

In 2014 the MFSL Board met six (6) times. Allowances for MFSL Board are VT30,000 per day.

Bouffa Limited Board Board Composition

Paul Kaun	Chairman
Albert Williams	Member
Steglar Tabi	Farm Manager & ex officio member

In 2014 the Bouffa Ltd Board met twice.

BOARD ESTABLISHED COMMITTEES

The Board has appointed Board Committees with their respective terms of reference. Board Sub-Committee meeting allowances are paid by the hour with the Chairman of the Committee receiving VT12,000 per hour whilst Members (not including any VNPF employee who is a committee member) are entitled to VT10,000 per hour.

The tables below depict each Committee's composition:

2.1 Board Investment Committee

Mr Simil Johnson	Chairman, Board/Government Rep
Vacant	Member, Board/Employee Rep
Mr Santos Vatoko	Member, General Manager / Ex Officio
Mr Paul Kaun	Member, Director of Investment

In 2014 the BIC met four (4) times.

2.2 Remuneration Committee

Willie Ben Karie	Chairman, Board Rep (Employer)
Ephraim Kalsakau	Member, Board Rep (Employee Rep)
Makin Valia	Member, Board Rep (Government Rep)
Jonathan Law	Independent Member
Santos Vatoko	Ex Officio Member, GM

The Remuneration Committee met once in 2014.

2.3 Tender Committee

Santos Vatoko	Chairman, General Manager
Paul Kaun	Director Investment
Simil Johnson	VNPF Board rep
Heather Lini-Leo	Manager Legal Section
Krishnamurti Natarajan	Chief Financial Officer
Tony Benjiman	Manager Procurement

In 2014 the Tender Committee met three (3) times.

2.4 I.T. Committee

Committee Members	Representative
Albert William	Chairman – Board/Employee rep
Paul de Montgolfier	Member – Board/Employer rep
Simil Johnson	Member – Board/Government rep
Samuel Fred	Independent Member
Sailosi Rezel	Manager IT
Hollingsworth Ala	Ex Officio

Total Number of Meetings for I.T. Committee in 2014: Nil

2.5 Audit Committee Committee Members

Paul De Montgolfier	Chairman – Board/Employer rep
Albert William	Member – Board/Employee rep
Mackin Valia	Member – Board/Government rep
Serah Obed	Independent Member
Muriel Herbert	Manager Internal Audit

Total number of meetings for Audit Committee in 2014: Nil

3. POLICY-BASED GOVERNANCE (I.E; LIST OF NEW POLICIES APPROVED DURING THE 2014 FINANCIAL YEAR)

Policy Based Governance

The following is a list of currently approved Board Policies.

1. Corporate Governance Policy
2. Board Investment Committee Charter
3. Approved Investment Guidelines
4. Internal Audit Charter
5. Internal Audit Policy & Procedures Manual
6. Staff General Orders
7. Board Policy on Staff Code of Conduct
8. Staff Annual Leave
9. Financial & Administrative Policy and Procedures on Procurement of Goods and Services Tenders and Contracts
10. Whistle Blowing Policy
11. Reserving Policy
12. VNPF Board Staff Corporate Uniform Policy
13. Fleet Vehicle Policy & Procedures
14. Staff Medical Policy & Procedures
15. VNPF IT Policy
16. VNPF Training Policy

Corporate Governance

Risk Management

Risk Management is an integral function of the Fund whereby risks facing the business are identified, analysis, evaluate on a continuous ongoing basis and systems are in place to monitor and manage risks. In the opinion of the Trustees these risk management systems are operating effectively.

Compliance Management

The Fund is obliged to uphold and comply with the VNPF Act, the Internal Policies & procedures, regulatory requirements and all other relevant laws that govern the Republic of Vanuatu in all its business dealings.

Reserve Bank of Vanuatu (RBV) Prudential Supervision

Under the Reserve Bank of Vanuatu (RBV) Prudential Guidelines, the Fund submits on a quarterly basis prudential returns to RBV. The return contains the Funds Financial Position and Performance, Directly held Investments, Derivative Financial Instruments and all the Exposure Concentration of the Fund.

The RBV also conducts annual reviews and onsite visits on the Fund's business dealings and operations and for any issues identified, measures were recommended to rectify the issues. The Management Team is doing its best to address issues raise and to ensure compliance with the RBV Prudential Guidelines is always paramount.

Ethical Standards

The Fund ensures that best organizational principles, practices and norms is maintain and applied in all level of management including the Board of Trustee, The Management Team, The Staff and also towards the Financial Members and Stakeholders. The internal Policies & Procedures that governs such organizational principles, practices and norms are;

1. Board Code of Contact
2. VNPF General Orders
3. Staff Code of Contact
4. Whistling Plowing Policy

Internal Audit

Internal audit scope of work covers risk management, internal control and governance processes. It is responsible to provide assurance to management and the Board, through the Audit Committee, on the effectiveness of internal controls, risk management and governance processes. Therefore, based on the reviews it conducts on the different operations within the Fund, internal audit communicates its findings and recommendations to the appropriate levels of management who are responsible to ensure that prompt and appropriate actions are taken to address the issues raised.

A current setback faced is the lack of resources which hinders the department to fully discharge its responsibilities to the management and Board. However we are pleased to advise that as a result of the reports issued in 2014, management took appropriate actions to rectify the issues reported.

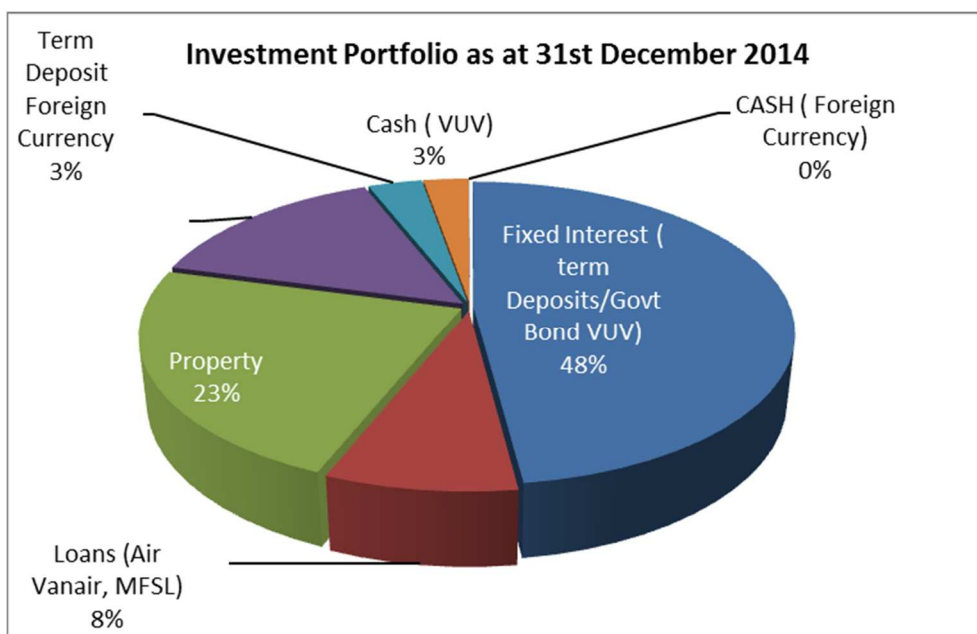
Investment Division

Investment Portfolio updates.

Total investment value of Member’s funds at the end of year 2014 is VT16.33 Billion of which 51% of it is invested in fixed income which includes bonds issued by the Reserve Bank on behalf of the Vanuatu Government and interest bearing deposits with locally registered commercial banks and financial institutions, an increase from 47% in 2013. Property investments which include developed land and vacant lands located on Efate and Santo fell from 24% in 2013 to 23% in 2014. 15% of the investment portfolio is invested in shares in locally registered companies, classified as Equity investments. The Funds has committed 8% in commercial loans in 2014 compared to 7% in 2013 and of the total portfolio 3% is in cash compared to 5% in 2013.

	2014
	VUV (000)
Fixed Interest (term Deposits/Govt Bond VUV)	7,827,741
Loans (Air Vanuatu, MFSL, ICL)	1,331,539
Property	3,770,646
Equity Investments	2,419,552
Term Deposit Foreign Currency	529,636
Cash (VUV)	442,827
CASH (Foreign Currency)	6,764

Pie chart to show percentage of each investment types in the investment portfolio as at 31st December 2014.

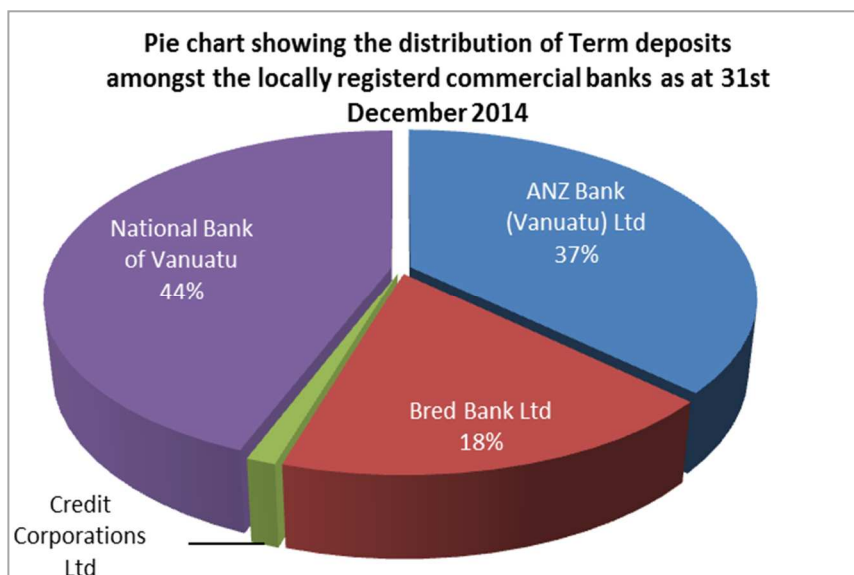


Investment Division

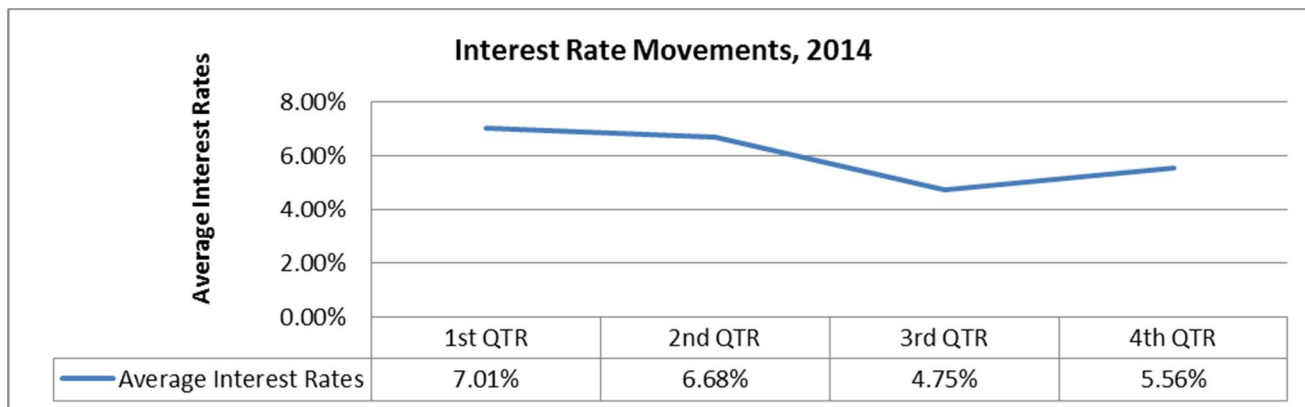
Fixed Interest Income

A. Term Deposits

Of the VT7.83 Billion in Fixed interest Income invested, VT4.28 billion were invested in Term Deposits with the local commercial Banks and Credit Corporation. Term deposits are cash investments held at a financial institution, bank or credit union for an agreed rate of interest over a fixed amount of time known as a term. Normal process for allocating term deposits to the financial institutions follows a tender process and normally the highest bidders gets to secure the term deposits placement, however not often is the case. As part of our investment risk management, under the investment policy guideline, we make sure that not more than 50% of the Term deposit total is held with each commercial bank. The pie chart below shows the distribution of term deposit placement amongst the four commercial bank and Credit Corporation. 44% of the total fixed income portfolio is held with the National Bank of Vanuatu, the highest, followed by ANZ (Vanuatu) Ltd Bank with 37%, Bred (Vanuatu) Ltd Bank holds 18% and 1% is allocated to Credit Corporation.



As usual, interest rates risk is one major risk factor to manage. 2014 kicked off with banks offering an average interest rate of 7% in the first quarter and fell to 6.68% in the second quarter. The interest rates keep falling to a record 4.75% in 2014 and then climbed again to 5.56% in the last quarter to finish 2014. Interest rates here are driven by the level of liquidity in the market. The monthly economic review published by the Reserve Bank of Vanuatu indicate a high level of liquidity during the third and fourth quarter which had an adverse impact on the Banks appetite to bid for Term deposits.

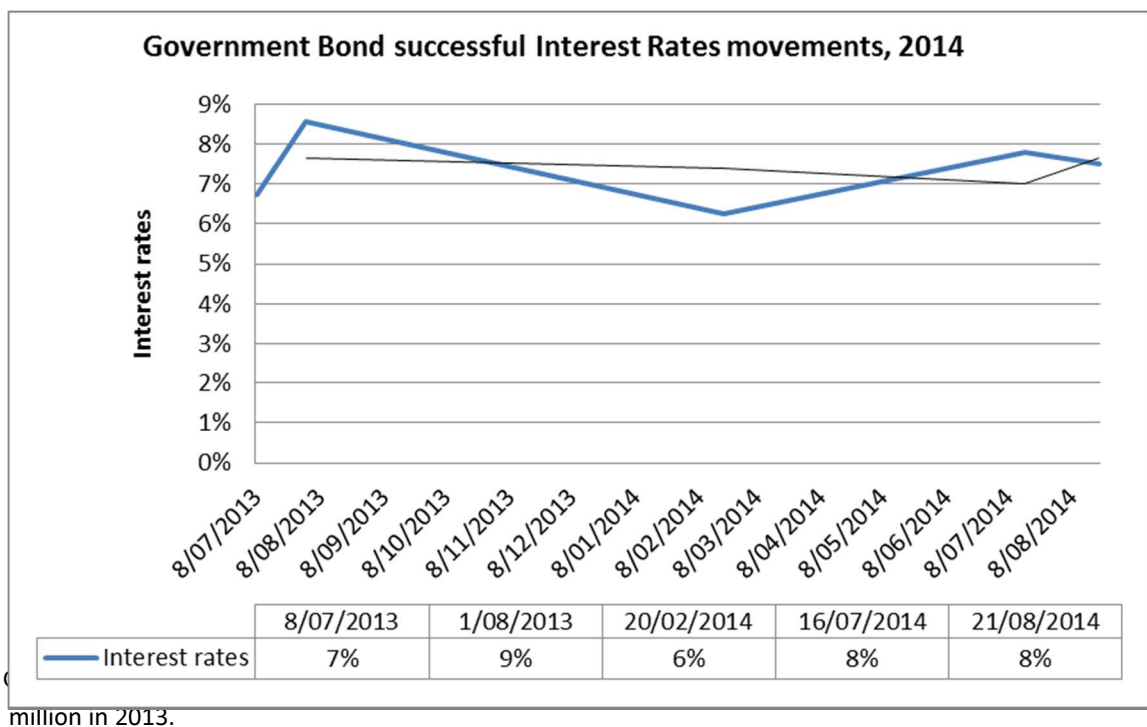


Term Deposits generated VT275 million in interest income in 2014 compared to VT300 million in 2013

B. Government Bonds

Total face value of government bonds was VT3.55 billion. Government bonds are bonds issued by the national government generally with a promise to pay period interest payments and to repay the face value on the maturity date. During the course of year 2014, we manage to secure three government bonds for a total face value of VT798.9 million at an average rate of 7.18%. Current Government bonds held by Vanuatu national provident fund have terms ranging from two years to ten years with interest payments made annually.

The Graph below shows that movement of the interest rates for those government bonds that we manage to secure over a 2 year period. Interest rates in 2013 closed around 7% and 7.5% in 2014.



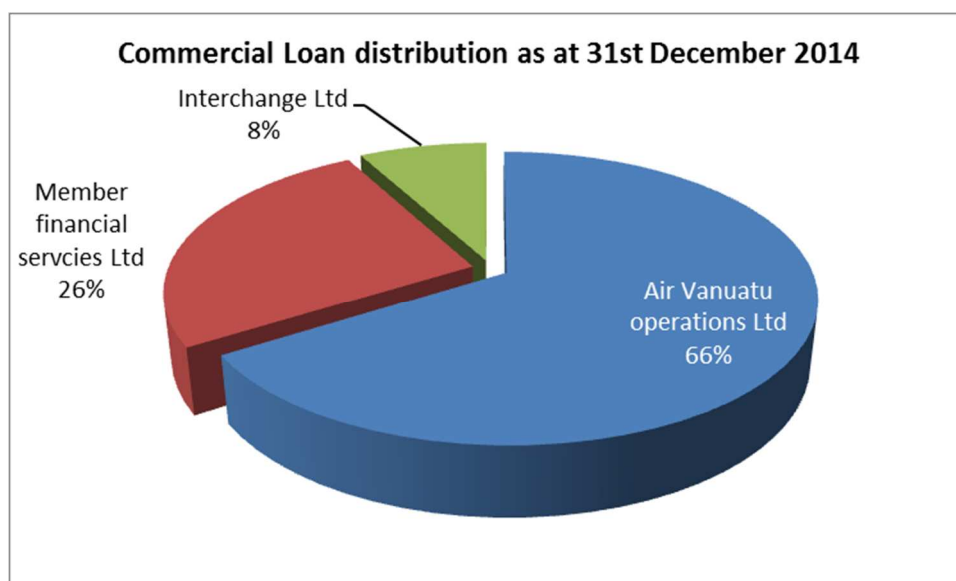
C. Foreign Currency Term Deposits

Foreign Currency Term Deposits accounts for the remaining 3% of the fixed income portfolio. Because of the volatility of the foreign currency market, VNPF only made Term deposit placements on currencies that are negatively correlated, in order to reduce the fund's exposure to the changes in exchange rates. These currencies are the US dollars and the Australian Dollars. A total vatu equivalent of VT529.6 million is invested in foreign currency deposits

Investment Division

D. Commercial Loan

A Commercial Loan is a loan advanced to a business instead of a consumer. VNPF's commercial lending is mainly to large corporation particularly, Air Vanuatu Operations Limited and Interchange limited (ICL). Air Vanuatu entered into 2 loan agreements with VNPF. The first loan was obtained in 2009 for an initial amount of VT340 Million and second loan for an amount of VT660 million in 2013. Total loan outstanding to the airline is VT880 million which is 66% of the total Commercial Loan Portfolio, 26% was allocated to Member Financial Services Ltd and 8% to Interchange after a drawdown was made on the term deposit place as a contingent equity for ICL. The commercial loan portfolio returns and average rate of 6% generating an interest income of VT79 million in 2014 compared to VT36 million in 2013.



Property Investment Update

Rental collection in 2014 remain consistent whilst the team undertakes normal maintenance operations with the lease properties. Subsequent to the growth of the Property portfolio, the Investment Division has also experienced rise in both operational and structural expenses. The revenue collection through commercial rent has remained consistent through 2014 but an expected increase may be realized next year if the CDIR Project is progressing. Annual Reviews for all leases still constitute the CPI inflation for all Tenant occupying our current commercial properties.

Strategic forecasting of our revenue and normal maintenance expenses has helped the team to monitor all the expenditures undertaking. The team is currently revolving its route to ascertain ways with the help of the management to address all the non-performing assets (properties). For this to happen, strategic exposure that includes decisions and deliverables has to be made within the portfolio, so return can be seen within our books.

RENTAL COLLECTIONS

This year we have collect a total of VT 241,560,472 VAT included (actual receipt to date) on rental through our commercial lease agreement. With comparison to last year 2013, we're only receipted a total of VT 210,773,160. The rise in rental dictates the Annual increases that govern the commercial leases, this plays a very most significant role within the property portfolio. Nevertheless, following up on rentals arrears will be always a challenging task for the team.

Property Investments Update

PROPERTY EXPENSES

During the last quarter of 2014, savings of 10% - 50% of revenue are accrued within the budget. The saving indicates that some of the major expense activities were well managed to ensure that variation does not find its way in.

Depreciation on building will continue to be our major expense in our books, and this is something that neither the department nor the division has control over. We are yet to assess what could be the best possible solution in dealing with our Depreciation. Insurances also impact on our expenses given the environment that we are prone to. Hence, team is doing all it can to minimize this expenses and this is by prudently understanding how our insurances portfolio is structured with brokers

General Status on building Conditions

Monthly building inspection and condition report on building demonstrates that majority of our building remains in good conditions. The reactivity of our property team to address maintenance issues within our properties has contributed significantly to the life span of these properties. Property team are planning to do major renovations exercises from next year. This will include repainting of the Australian High Commission Chancery and the Nakamal Refurbishment still at the Chancery.

Customs & Inland Revenue (CDIR) Project

The CDIR Project has been tendered out during the last quarter of 2014 and expected closing date is 27th February 2015, the project Manager has issued out four (4) tender documents out of the five shortlisted contractors.

A brief meeting with all the contractors is schedule for 15th January 2015 for project Manager to brief all contractors on what is expected out of the tender.

Housing Project

The housing Project is still in a limbo and the team is working hard to resolve issues relating to its corporate governances. Two Board members have been tasks to assess the situation and work with the executive and management to resolve the land matter before moving on to the next action level. In the meantime, the team is working identify a site and to call for the presentation by shortlisted bidders.

VNBR PORT CENTRAL PROJECT

The VNBR Project has also been tendered out during the last quarter of 2014 through the project Manager Caillard Kaddour. Closing date is February 2015, the project Manager has issued out notice to all 8 shortlisted contractors.

PROPERTY INVESTMENT

The Fund has invested in commercial, residential and industrial property for the purpose of generating rental income and potential capital gains. Though the property market was low this year, the Fund was fortunate that all its office space within Air Vanuatu building and Santo building were taken up for rental during the year. Except for few properties such as Etas Land, No. 2 property in Port Vila and Pekoa land in Santo.

Property Investment Update

Annex 2 Tenant Listing with monthly rent as per lease agreements.

VNPF RENTAL INCOME

Tenants	Rent Excl Vat	Vat	Total Rent Inc. VAT
AHC	6,041,667	755,208	6,796,875
NBV	3,333,333	416,667	3,750,000
AIR VANUATU OPERATIONS	1,531,432	191,429	1,722,861
SITA	191,722	23,965	215,687
OCTA	343,566		343,566
FEER STORE GROUND FLOOR	395,556	49,445	445,001
FEER STORE SECOND FLOOR	76,089	9,511	85,600
JICA	700,000		700,000
MFSL	198,167		198,167
URA	232,000	29,000	261,000
NBV	180,723	22,590	203,313
DOFT	108,777	13,597	122,374
DOC	45,111	5,639	50,750
ETECH	87,281	10,910	98,191
OCEANIC	56,704	7,088	63,792
Wilco Property	5,967,000	745,875	6,712,875
Total	19,489,127	2,280,924	21,770,052

4th Quarter Rent Total

65,310,155

Property Expense Code	2014 Actual Expenses
Air Condition Services	3,001,527
210020 - Building Maintenance	11,660,866
210030 - Depreciation - Building	101,070,827
210040 - Deprn. - Building & Inventory	2,088,991
210050 - Electricity Expense	5,133,105
210060 - Insurance Expense	23,340,102
210070 - Land Rent Expense	829,443
210080 - Municipal Tax	4,169,328
210090 - Pest Control	356,250
210100 - Security Services	582,900
210110 - Sundry Expenses	30,000
210120 - Water	254,707

Source: VNPF 2014 Accounting Sun System

VNPF Subsidiaries

Bouffa

Bouffa Limited

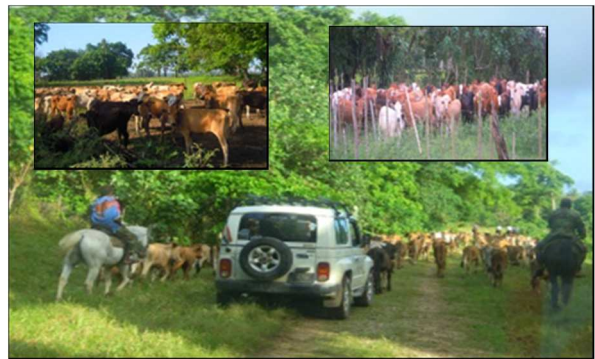
The continued capital injection into Bouffa Limited resulted in upgrading the farms to operational standards which included increases in the number of machinery and expanding on the grazing space with improved pasture and restocking of cattle.

The number of cattle increased from 1,907 by end of 2013 to 2,795 by end of 2014, an increase of 47%, including the cattle sold for the year.

More than 80 hectares of land covered with bush was cleared and seeded with improved grass seeds.



Newly cleared lands seeded with improve pasture.



Purchased cattle stock move to the Beleru farm by foot.

We acknowledge and recognise that the total net asset worth of Bouffa Limited, with an operating deficit of Vt50, 894,912 recorded in 2013, was increased to Vt95, 463,428 in 2014, an overall 87 per cent deficit which is attributed to the write down on the farm Fixed Assets value. However, with the continued improvements, Bouffa Limited could break-even earlier than anticipated.

MFSL

The Member Financial Services Ltd (“MFSL”) is a Subsidiary body of VNPF.

Established by the VNPF Act (as amended in 2007), its prime responsibility is to provide a loan facility to Members of the Fund. MFSL’s Loan Portfolio grew by 17% in 2014 to VT 726.2 Million from VT 624.8 Million in 2013. Total income made for the year was VT 89.82 Million against a total expenditure of VT 36.89 Million. The Net Profit for the Year was VT 52.89 million compared to VT 91.57 million in 2013.

In October, after almost two years without a General Manager, Mr Mosese Nakabea was appointed to head MFSL. Mr Nakabea brings in 13 years of experience and knowledge in commercial loans and equity. Mr Nakabea is a former Chief Executive Officer with a subsidiary body of the Fiji National Provident Fund and holds a

Bachelor of Arts degree in Accounting, Financial Management and Management from the University of the South Pacific as well as a Master of Commerce Degree from the Australian National University in Canberra. The Fund is confident in this appointment and anticipates continued improvements in MFSL operations and services under Mr Nakabea’s leadership.



Operations

Summary of Key Indicators

Key Performance Indicators							
	YTD 2008	YTD 2009	YTD 2010	YTD 2011	YTD 2012	YTD 2013	YTD2014
New employers	181	211	199	257	366	398	619
New employees	3,464	1,828	1,957	1,781	2,322	2,285	2,391
Total Employers	2,318	2,857	3,060	3,487	3,853	4,012	4,487
Total Employees	45,760	47,588	49,545	51,326	52,840	55,194	74,525
Total Members' Balance	9,886,376,000	11,218,987,000	12,140,589,000	14,246,635,000	15,007,341,271	16,314,919,815	17,154,623,646
Total Members' Fund	10,097,162,000	11,328,563,000	12,727,748	14,276,564,000	15,404,696,000	16,199,542	17,065,140
Contributions Received	1,218,574,000	1,279,296,000	1,385,143,000	1,403,340,000	1,454,179,517	1,544,763,254	1,612,050,370
Withdrawals payout	319,491,830	382,670,830	453,912,000	503,653,677	653,109,685	648,438,992	715,364,097
SDB Payout	11,000,000	11,000,000	11,746,000	11,805,900	13,667,200	12,654,992	11,886,400

Membership Registrations

In 2013, the number of employers registered with the Fund was 398. In 2013, this number increased by 56% to 619. Similarly, the number of employees also increased by 4.64%. There are 2391 new employees in 2014, compared to 2,285 in 2013.

Out of total employer registration 69.12% were active in 2014 and 30.88% with status season. Similarly, out of total membership registration of employees, 34.62% were contributing in 2014 while 65.38% were non-contributing.

Contributions

Contributions received in 2014 increased by 4.36% from VT1, 544, 763, 992 in 2013 to VT1, 612, 050, and 370 in 2014.

Members' Balance

Members' balance rose by 5.15% in 2014 from VT16, 314,919,815 in 2013 to VT17, 154,623,646 in 2014.

Withdrawals

In 2014, Members' withdrew a total of VT715, 364, 097 compared to 2013 which was a total of VT648, 438,992. This is an increase of 10.32%.

55 years

In 2014, Members who withdrew their contributions based on retirement grounds withdrew a total of VT486, 773, 725, compared to 463, 119, 393V in 2013, representing a 5.11% increase.

Migration

In 2014, VT92, 989, 994 was withdrawn by Members on Migration grounds, compared to VT76, 661, 863 in 2013.

Incapacitation

In 2014, VT71, 345, 531 was withdrawn by Members who were incapacitated and could not continue working compared to VT40, 479, 001 in 2013. The withdrawal increases by 76.25% by 2014.

Operations

Death

In 2014, VT64, 254, 847 in total was paid out for Death claims. This represents a 5.76% decrease compared to the previous year; 2013 when VT68, 178, 735 was paid out.

Special Death Benefit (SDB)

SDB payouts fell by 6.46% in 2014 where VT11, 886, 400 was paid out, compared to VT12, 654, 600 in 2013.

Compliance and Enforcement

The compliance department as administrators of the VNPF Act, ensure and encourage employers to comply with the relevant provisions of the Act. This has been a challenge for the Fund as continued efforts have been made to ensure non-compliance is address at all levels including:

1. Follow –up of employers non-payments of contributions and surcharge
2. Attending to customer complaint
3. Auditing employers payroll records, to ensure employer records match up with VNPF records
4. Working with legal department to ensuring non-complaint employers are prosecute, as stipulate under the Act.
5. Enter in to Agreement with other government agencies

The Fund is working collaboratively with other Government enforcement agencies to reduce non-compliance by way of sharing information.

This agreement will see VNPF liaising with these Government agencies to combat non-compliance issues in Vanuatu, and it will also strengthen the relationship among these organizations.

This year the Fund has also registered number of employee complaint against their employer for non-payment of contribution.

We have also seen registered new employers and new members, and this shows that new businesses are emerging in town.

Registration of new business	24
Registration of new Members	126

The table below illustrates the level of non-compliance.

TYPE OF BREACH	NO OF EMPLOYERS AFFECTED	AMOUNT INVOLVED (VT)
Member complaint for non-payment of contributions	270	N/A
Failure to pay Contribution	1560	764,197,045
Failure to pay Surcharge	1187	312,120,796
Non-registration of Business		N/A
Total	2,957	1,076,317,841

Compliance and Enforcement

Overall there is an increase in terms of number of employers in default for non-compliance and a big increase in the amount outstanding for 2014 compare to past years.

Awareness campaign to employers and employees continued to be carried out to various businesses to enable employers and members to better understand the importance of contributing to the Fund.

The Fund also encourages employers who are no longer active in business to come forward and have their employer status change from active to ceased.

It is very importance to keep in touch with VNPF, should employers and members have any query they should contact our nearest office, and talk to our compliance Inspectors.

Legal Services

The purpose of the Legal Services Section is to provide advice to the management and the Board of Fund and to take up non-compliant Employers' cases to Court.

In 2014, the team brought forward 20 civil litigation cases from 2013, filed two new cases and concluded 4.

The team also had 3 criminal case files that were carried over from 2013, 1 new criminal case forwarded in 2014. All of these are still being vetted and awaiting further investigation and statement taking from the Compliance Section .

For civil cases against VNPF, 7 were carried over from 2013, of which 2 were concluded in 2014. Two new cases filed against VNPF in 2014 relating to employment appointments.

With respect to corporate conveyance and procurement, Legal Services was not involved in any during the reporting year.

Opinions and advice to Board and Management on a daily basis would amount to 10 by way of written or emailed advices. For advice via written documents, Legal Team submitted at least once on a daily basis depending , whilst documents that required review and approval would normally amount to 3 a week.

One of the projects to undertake in 2014 was the review of the VNPF Act [CAP 189], however this was shared with Managers and Directors and has been an ongoing project.

It should be noted that maintaining ethical standards and promoting good governance in the Fund is often challenging at times and the Section looks forward to a continued cooperation of the Board, Management and staff of the Fund in this regard.

ITSS

1. Strategic Review

The Department successfully completed a 5 year ICT Strategic Plan (ICTSP) in December 2014.

2. Infrastructure Upgrade

According to the ICTSP, there is a remedial strategy of which the current IT infrastructure will be tweaked, issues fixed, minor and major upgrades done in order to modernise the status of the VNPF IT. This is scheduled to happen in 2015.

3. Software Application

The Membership Administration System (Maximise) is targeted to be replaced in 2015 as per the new ICTSP. Further other software implementations for the year 2015 are the Audit and Risk Management system as well as the Human Resource Management System.

4. Website Management

There is nothing on website management that is new apart from the project to revamp it.

Human Resource Management

Human Capital

The implementation of the new Fund Strategic Plan in 2014 for the next 5 to 10 years has shown an increase in human capital in areas such as Finance, Investment, Information Technology, Audit, Procurement, Governance and Risk.

Staff numbers now stand at 90 evolving full – time employees at the Head Office in Port Vila inclusive of the Santo, Malekula and Tanna sub offices.

Market Relativity

In line with the new Fund Strategic Plan and other policies of the Fund, staff remuneration are in line with the market following the Fund's restructure.

Health and Wellness

The VNPF is also committed to providing a safe and healthy workplace combined with sports, health and wellness programmes for staff. Current Wellness programmes organised by the Fund includes but not limited to team building and bonding exercises, afternoon sports, Gym activities and the Staff annual medical checks.

Training

The Fund is appreciative of the importance of developing its human capital and talent to remain competitive in the market. As such it endeavours and committed to continually improve in this particular area as the Fund continues to grow.

Administration & Archives

1. Archiving of Documents

Vanuatu National Provident Fund has a new archive building completed back in 2013. Since then all current and files up to 10 years were filed in new “compactus” shelves. A new filing and sequential arrangement was put in place when files are sent for archiving for members of the Fund.

Member files and records including staff and general administration files are scanned in the Document Management System (DMS) before the physical documents are sent for archiving. As individual documents and files were scanned, the system stored a soft copy and at the same time allocated a document number for that respective file inside DMS. Thereafter, the physical files are labeled the same document number allocated by the system and taken for filing in the archive shelves. To retrieve the physical documents for latter referencing, the document number is retrieved in the DMS by using the search criteria of the member number or staff.

For other documents or files that do not require scanning, the departments concern maintains their own records of filing arrangement. Within the archive room, the shelves are divided into departments where documents are archived accordingly. To retrieve documents in this category, quick search is made using a PC, and the filed reference taken to the respective shelf and documents collected.

With this new archiving facility, along with the current filing system staffs are able to retrieve documents and member records more quickly and with ease. This contributes tremendously to the effective and efficient services the Fund is providing to its members and customers.

Human Resource Management

2. Security

The Fund employs a 24 hours security procedure within its head office in Port Vila and the branch office in Luganville, Santo. For its head office, security personnel are employed as full time staffs of VNPF where they do eight hours of shift day and night. Access into the building is monitored daily as well as during odd hours by the security officer on duty, as well, security video surveillance is also mounted within the office floors and strategic points within the building giving maximum coverage being relayed real time to two video screens administered by the IT department and in the security booth.

For Santo office, security within the building is contracted to a security company who handles day and night surveillance of the premises and administered by the Santo branch office.

3. Fleet Management

In 2014, the Fund has a total of 9 vehicles including 1 each for Milai farm in Santo, Bouffa farm in Vila and MFSL – subsidiary company of VNPF. VNPF administration has 6 vehicles, of which one is allocated to Santo branch office and 5 for the head office, which are further allocated as follows:

- 1 for the General Manager

- 1 for the Compliance & Inspection department

- 1 for the Property & Investment department

- 2 for the administration – use primarily for all administration and operational runs

The vehicles are regularly maintained and serviced by respective dealers in Port Vila and Santo, and are kept in very good running conditions.

The Fund also has a vehicle policy in place which provides the directions and guidance on the use of vehicles as well as its control as is being used to serve the purposes of providing effective and efficient services to its members.

Marketing & Communications

The key function of the Marketing & Communications Department is “to promote the Vanuatu National Provident Fund services in line with the Fund’s overall mission and vision”.

Staffing

From January to March, the Department was staffed by a Manager and an Awareness Officer. The former Manager left VNPF and so the Fund advertised for her replacement. In April, a Public Relations Officer and a Manager were recruited. An additional Awareness Officer was also transferred from the Executive Division to the Department the following month, bringing the total number of staff to four.

Changing the Corporate Image

The Department also took the lead in corporate branding activities in an attempt to transform the Fund from its former image to a new positive image. In a partnership with *iPacific Frontiers*, a corporate video was produced on the new five year Strategic Plan.

A graphic designer was also engaged to design a new logo which would lead to purchasing of new staff corporate uniforms and redesigning of document templates.

A Logo and Branding guideline was also produced and approved by the Board.

Marketing & Communications

Improving Public Relations

The Department's activities for the year included an extensive Public Relations programme incorporating mainly public education techniques as a way to promote a positive image of the Fund, in the face of continuous attacks from the public for current and past practices.

The Department made it a priority to engage with Employers with more than 50 Employees and between April and July organised visits to over 30 locations which included schools, private sector companies, government departments and even church and youth groups. Additional visits were made by staff travelling to Tanna and also for staff based in Santo who collaborated with Vanuatu Oil & Coconut Products Limited and farmers to voluntarily contribute to the Fund.

The purpose of the awareness visits was to educate Members on VNPF's history, financial standing and the payment of Annual Interest from 1999 to date. Feedback obtained from Members was mixed, ranging from appreciation for the efforts being undertaken to put the Fund in a better position; to direct objection towards payment of 0% Annual Interest in the 2013 FY.

In May, the Fund expanded its communications channels in response to concerns raised in social and print media regarding VNPF investments.

Suggestions Boxes were placed in the VNPF Head Office, as well as the branch offices in Luganville, Lakatoro and Lenakel. Feedback received was logged and shared with Management.

An "Enquiry" email address was also set up and the public invited to utilise such avenues.

The public was also directed to the Fund's website to submit queries online or view the Q&A page, as well as visit the new Facebook page, "Vanuatu National Provident Fund Chairman". In that same month, the Department also arranged a media conference between Management of the Fund and key members of the media circle which the Department used as a platform to maintain relations with journalists in addition to advertising/marketing officers in mainly the print media.

The Department secured an arrangement with the Vanuatu Daily Post to issue weekly updates at no cost to the Fund. Subsequently, 19 updates were issued between the months of May and November, with topics covering the public awareness programme, the Fund's Five Year Strategic Plan, Success Stories, update on VNPF's investments and financial position to name a few.

Press Releases were also issued between April and December on the following matters:

April	Wilco Purchase Wilco Purchase & VNPF 5 Year Strategic Plan
May	Mechanism for Dealing With Enquiries VNPF & Bred Bank Partnership
October	Clarifications to the Public on Investments etc...
December	VNPF's Investments & Financial Standing

The Department also worked closely with Member Services Department and IT Department to print a pamphlet on the Five Year Strategic Plan which was subsequently attached to Members' annual statements for the 2013 FY and dispatched in October.

Adverts for vacancies, tender notices and general advertisement of VNPF services were also posted throughout the year via the print media as well as VNPF's website and Facebook page.

Marketing & Communications



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The new VNPf logo: top left, the black and white logo used on the advertisement template, top right, the new staff uniforms launching in Dec.2014, bottom left, the logo on the brown background and against a white background

Vacancies Advertised included:

June	Manager MFSL ICT Strategy Advisor Manager Procurement
July	Executive Assistant to the CEO Executive Assistant to the Board
August 2	Debt Recovery Officers for MFSL
September	General Manager, Funds Management Legal Officer-Commercial
November	Senior Compliance Officer Senior Internal Audit Officer

Marketing & Communications

Published Notices included:

- June
 - Overdue Contributions by Employers
 - Expressions of Interest for Affordable Housing Design & Build
 - Renovation of Former Club Vanuatu Tender
- July
 - Independence Greetings
 - Apology on Postponing of Annual General Meeting & Launching of 5Year Strategic Plan
- August
 - Public Auction
- September
 - Error in MFSL Email Address
- October
 - Terminated Compliance Officer
 - New Postal Address for MFSL
 - Expressions of Interest for Insurance Brokering Services



GM VNPf and Director MSD/C with Westpac Staff



Manager Compliance briefing students at Tafea College



COPSL Manager handing over cheque to Joel Tovor, VNPf Officer in Charge, Santo Branch

Marketing & Communications

Public Events

ICT Days

ICT Days is normally a two day event that is celebrated annually. In May 2014, the event took place on Friday 16 and Saturday 17. VNPF has been an avid sponsor and participant at this event, mainly showcasing its ICT products such as the online portal and V-SMS alert.

The event began with rain and so most of the tent area was flooded. It dampened spirits, but did not stop the staff involved from achieving what they had set out to do.

Staff from IT, Marketing, Members Services, Investments, Compliance and HR played a part in meeting with the public and explaining VNPF's services, particularly in line with the year's theme, "Broadband for Sustainable Development".

Launching of 5 Year Strategic Plan / Annual General Meeting

In early June 2014, the Executive met and resolved that a committee be set up to organise an Annual General Meeting/ Public Forum, initially marked for 25th July 2014. During the course of the committee meetings, it was decided that the event be held over two days; 22nd and 23rd July 2014 where the 5 Year Strategic Plan 2014-2018 would be launched, together with the convening of the Annual General Meeting.

Marketing and Communications Department, including staff from other departments were part of the committee. The committee set 22nd July as the day where VNPF would showcase its business and its partnerships. The next day, the AGM would be held, followed by a cocktail in the evening to close.

A lot of effort was put towards booking a venue, organising entertainment and basically putting together programme for the event. Unfortunately, the event was called off on 12th July 2014 following the Board's decision that the Fund reprioritise on what should be its main focus for the year; namely issuing the 2012 and 2013 Annual Reports and working to finalise the review of the VNPF Act.

Throughout the organising of this event, the Marketing and Communications Department was involved with

- drafting up a small booklet on the Strategic Plan
- membership in new staff's corporate uniforms committee, earmarked to launching the new uniforms at the AGM
- editing and printing of the Employer Booklet
- preparing a submission for corporate branding and logo guidelines
- ordering merchandise
- making a corporate video



Staff interacting with the public during ICT Days

Procurement and Tender Facilitations

The Procurements Section is a new section within the Fund's support services. It was set up in October 2014 and staffed with one officer. In the past, Management worked with Finance Department to procure goods and services.

The aim of the Department is to develop and interface with various levels of management in the Fund to ensure accurate and appropriate purchasing and tender procedures and policies are in place and implemented. . During the year, the following tenders were facilitated:

Requested By	Date of Delivery	Awarded To	Budgeted Amount (VUV)	Contracted Amount (VUV)	Savings (VUV)	Details
Investments Division	On-going	Aon Vanuatu	1,330,983	750,000	580,983	Desktop Evaluation
MFSL	Tender Cancel	Tender cancel	324,000	78,250	245,750	MFSL Renovation
Investment/ Properties Section	12/12/14	Switch ON	199,562	129,020	70,542	Security Gate at Korman property
Information Technology Department	22/12/14	O.D.C	1,162,200	416,334	745,866	Executive Laptops



Barrett & Partners
Chartered Accountants & Business Advisers

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Independent Auditors' Report to the members of Vanuatu National Provident Fund

Scope

We have audited the consolidated financial statements of the Vanuatu National Provident Fund ("the Fund") for the financial year ended 31 December 2014 consisting of the income statement, statement of changes in members funds, balance sheet, statement of cash flows and accompanying notes set out on pages 4 to 21. The financial statements comprise the accounts of the Fund and the consolidated accounts of the economic entity, being the Fund and its controlled entities. The Fund's Directors are responsible for 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 Fund.

Our audit has been conducted in accordance with International Standards on Auditing as promulgated by the International Federation of Accountants 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 applicable International Financial Reporting Standards and statutory requirements so as to present a view which is consistent with our understanding of the Fund and economic entity's financial position and the results of its operations and its cash flows.

We believe that our audit provides a reasonable basis for our opinion.

Rapport du Commissaire aux Comptes à l'Assemblée des actionnaires de la Caisse Nationale de Prévoyance du Vanuatu

Contrôles effectués

Nous avons procédé au contrôle des comptes annuels de la Caisse Nationale de Prévoyance du Vanuatu pour l'exercice social clos le 31 décembre 2014, comportant le compte de résultat, le tableau des mouvements des fonds des membres, le bilan, le tableau des flux de trésorerie et l'annexe y afférente, détaillés aux pages 4 à 21. Les états financiers comprennent les comptes de la Caisse et les comptes consolidés de sa filiale, étant la Caisse et ses entités dirigées. La direction de la Caisse est responsable des comptes annuels et des informations qu'ils contiennent. Notre mission, conduite de manière indépendante, a pour objet de pouvoir formuler une opinion sur les comptes à l'attention des actionnaires de la Caisse.

Notre vérification a été effectuée conformément aux normes internationales de vérification comptable, comme promulgué par la Fédération Internationale des Comptables de manière à obtenir une assurance raisonnable quant à l'absence d'erreurs significatives dans les états financiers. Cette vérification comprend le contrôle par sondages des éléments corroborant les montants et les autres éléments d'information fournis dans les états financiers. Elle comprend également l'appréciation des principes comptables adoptés et des montants ayant fait l'objet d'estimations significatives. Ces diligences sont mises en œuvre afin de nous permettre d'apprécier si les comptes annuels sont présentés en conformité avec les règles comptables internationales et les dispositions légales en vigueur, afin qu'ils reflètent de notre point de vue de la situation économique de l'entité, de ses résultats et de ses flux de trésorerie.

Nous estimons que l'audit effectué fournit une base raisonnable à l'opinion exprimée ci-après.



Barrett & Partners
Chartered Accountants & Business Advisers

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Audit opinion

In our opinion, the financial statements of the Vanuatu National Provident Fund have been properly prepared in accordance with the provisions of the Vanuatu National Provident Fund Act [CAP 189] [as amended] of the Republic of Vanuatu and applicable International Financial Reporting Standards as adopted by the International Accounting Standards Board, so as to give a true and fair view of:

- i) in the case of the balance sheet, the state of the Fund's and economic entity's affairs as at 31 December 2014;
- ii) in the case of the income statement, the Fund's and economic entity's result for the financial year ended on that date; and
- iii) the Fund's and economic entity's cash flows for the financial year ended on that date.

Certification

A notre avis, les comptes annuels de la Caisse Nationale de prévoyance du Vanuatu ont été établis conformément aux dispositions de la Loi sur la Caisse Nationale de prévoyance du Vanuatu [CAP 189] [modifiée] de la République de Vanuatu et aux normes comptables internationales en vigueur, comme promulgué par le Comité des Normes Comptables Internationales, afin de fournir une image fidèle:

- i) du bilan de la société mère ainsi que de ses filiales au 31 décembre 2014 ;
- ii) du compte de résultat de la société mère ainsi que, de ses filiales pour l'exercice clos à cette date ;
- iii) du flux de la trésorerie de la société mère ainsi que, de ses filiales pour le même exercice social.

Barrett and Partners
Chartered Accountants

Barrett and Partners
Experts Comptables

Port Vila

(Qualified auditors under Section 166 of the Companies Act [CAP 191] of the Republic of Vanuatu)

11 August
2015

Port Vila

(Commissaires aux comptes agréés en vertu de l'article 166 de la Loi No. 12 de 1986 sur les sociétés de la République de Vanuatu)

11 August
2015

Partners :

Lindsay Barrett

Mark Stafford

Adrian Sinclair

**VANUATU NATIONAL PROVIDENT FUND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014**

***ETATS FINANCIERS CONSOLIDES
POUR L'EXERCICE CLOS LE
31 DECEMBRE 2014***

Vanuatu National Provident Fund

Caisse Nationale de Prévoyance de Vanuatu

Consolidated income statement
For the year ended 31 December 2014Compte de Résultat consolidé pour
l'exercice clos le 31 Décembre 2014

Expressed in '000 Vatu

Exprimé en '000 vatu

	Note	2014	2013	
Interest income		716,189	696,779	Revenue d'intérêt
Other operating income	2	<u>427,083</u>	<u>461,616</u>	Autres produits d'exploitation
		1,143,272	1,158,395	
Operating expenses	3	<u>(875,649)</u>	<u>(676,936)</u>	Charges d'exploitation
Write down in Investments	4	<u>(203,951)</u>	-	Investissements annulés
Operating gain/(deficit) before interest credited to members		63,672	481,459	Bénéfice d'exploitation avant report des intérêts au crédit des membres
Interest credited to members		<u>(135,766)</u>	<u>(8,079)</u>	Intérêts portés au crédit des membres
Operating profit/(loss) after interest credited to members		<u>(72,094)</u>	<u>473,380</u>	Perte d'exploitation après report des intérêts au crédit des membres

The consolidated income statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 21.

Le compte de résultat consolidé doit être lu en tenant compte des notes y afférentes énoncées aux pages 8 à 21 qui font partie intégrante des états financiers.

Vanuatu National Provident Fund

Consolidated statement of changes in members' funds
For the year ended 31 December 2014

Expressed in '000 Vatu

	Members' funds	Special death benefit	General reserve account	Total
	Fonds des membres	Réserve pour indemnités spéciales décès	Report à nouveau	Total
2014				
Balance at the beginning of the financial year	16,320,246	53,580	(174,284)	16,199,542
Operating loss after interest credited to members for the year	-	-	(72,094)	(72,094)
Contributions received	1,611,224	-	-	1,611,224
Interest credited to members' accounts	135,766	-	-	135,766
Transfers	(13,280)	13,280	-	-
Withdrawals / payments	(796,726)	(12,572)	-	(809,298)
Balance at the end of the financial year	<u>17,257,230</u>	<u>54,288</u>	<u>(246,378)</u>	<u>17,065,140</u>
2013				
Balance at the beginning of the financial year	15,404,696	52,732	(647,664)	14,809,764
Operating profit after interest credited to members for the year	-	-	473,380	473,380
Contributions received	1,565,242	-	-	1,565,242
Interest credited to members' accounts	8,079	-	-	8,079
Transfers	(13,687)	13,687	-	-
Withdrawals / payments	(644,084)	(12,839)	-	(656,923)
Balance at the end of the financial year	<u>16,320,246</u>	<u>53,580</u>	<u>(174,284)</u>	<u>16,199,542</u>

The consolidated statement of changes in members funds is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 21.

Caisse Nationale de Prévoyance de Vanuatu

Tableau de variation des fonds consolidés
Pour l'exercice clos le 31 Décembre 2014

Exprimé en '000 vatu

2014
Solde en début d'exercice

Perte d'exploitation après report des intérêts au crédit des membres

Cotisations reçues

Intérêts portés au crédit des membres

Reclassement

Retraits / paiements

Solde en fin d'exercice

2013
Solde en début d'exercice

Gains d'exploitation après report des intérêts au crédit des membres

Cotisations reçues

Intérêts portés au crédit des membres

Reclassement

Retraits / paiements

Solde en fin d'exercice

L'état de variation des fonds consolidés des membres doit être lu en tenant compte des notes énoncées aux pages 8 à 21 qui font partie intégrante des états financiers.

Vanuatu National Provident Fund

Caisse Nationale de Prévoyance de Vanuatu

Consolidated balance sheet
As at 31 December 2014

Bilan consolidé au 31 Décembre 2014

Expressed in '000 Vatu

Exprimé en '000 Vatu

	Note	2014	2013	
Current assets				Actif circulant
Cash and cash equivalents	5	4,730,710	4,614,461	Disponibilités
Receivables	6	355,961	422,807	Créances
Loans receivable	7	333,425	187,430	Prêts
Stock	8	67,868	61,145	Stock
Other investments	9	979,636	909,938	Autres investissements
		<u>6,467,600</u>	<u>6,195,781</u>	
Non-current assets				Actif immobilisé
Loans receivable	7	1,349,662	1,134,998	Prêts à long terme
Other investments	9	4,934,625	4,512,233	Autres investissements
Investment property	10	3,205,372	4,339,995	Biens immobiliers
Plant and equipment	11	1,253,869	184,356	Autres immobilisations corporelles
		<u>10,743,528</u>	<u>10,171,582</u>	
Total assets		<u>17,211,128</u>	<u>16,367,363</u>	Total de l'actif
Current liabilities				Dettes à court terme
Payables	12	76,579	106,580	Fournisseurs et charges à payer
Provisions	13	10,699	7,566	Provisions
		<u>87,278</u>	<u>114,146</u>	
Non-current liabilities				Dettes à long terme
Provisions	13	58,710	53,675	Provisions
Total Non-current liabilities		<u>58,710</u>	<u>53,675</u>	
Total liabilities		<u>145,988</u>	<u>167,821</u>	Total du passif
Members' funds				Fonds des membres
Members' funds		17,257,230	16,320,246	Fonds des membres
General Reserve Account		(246,378)	(174,248)	Report à nouveau
Special Death Benefit reserve		54,288	53,580	Réserve pour indemnités spéciales décès
	14	<u>17,065,140</u>	<u>16,199,542</u>	
Total liabilities and Members' funds		<u>17,211,128</u>	<u>16,367,363</u>	Total passif et fonds des Membres

The consolidated balance sheet is to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 8 to 21.

Le Bilan consolidé doit être lu en tenant compte des notes y afférentes énoncées aux pages 8 à 21 qui font partie intégrante des états financiers.



Board of Trustees

Approved by the Board
Port Vila, 2015

Le Comité de Direction

Approuvé par le Comité
Port Vila, 2015

Vanuatu National Provident Fund

Consolidated statement of cash flows
For the year ended 31 December 2013

Expressed in '000 Vatu

	Note	2014	2013
Operating activities			
Cash receipts in the course of operations		1,109,477	1,108,505
Cash payments in the course of operations		(788,419)	(521,408)
Cash flows from operating activities	15	<u>321,058</u>	<u>587,097</u>
Investing activities			
Net redemption of Government bonds		(350,000)	(500,000)
Proceeds from sale of plant and equipment		0	0
Acquisition of plant and equipment		360,966	(21,649)
Other investments		(16,966)	327,619
Acquisition of investment properties		(810,281)	(1,823,630)
Construction of investment property		(561)	0
Net increase in term loans		<u>(325,659)</u>	<u>(485,137)</u>
Cash flows used in investing activities		<u>(1,142,501)</u>	<u>(2,502,797)</u>
Financing activities			
Contributions received from employers and members		1,611,224	1,565,242
Repayments to withdrawing members		(674,240)	(633,076)
Payment of special death benefits		708	(12,839)
Cash flows from financing activities		<u>936,984</u>	<u>919,327</u>
Net increase / (decrease) in cash and cash equivalents		116,249	(996,373)
Cash and cash equivalents at 1 January 2014		4,618,461	5,610,834
Cash and cash equivalents at 31 December 2014	5	<u>4,730,710</u>	<u>4,618,461</u>

The consolidated cash flow statement is to be read in conjunction with the notes to and forming part of the financial statements as set on pages 8 to 21.

Caisse Nationale de
Prévoyance de VanuatuTableau des flux de trésorerie
consolidé pour l'exercice clos le
31 Décembre 2013

Exprimé en '000 Vatu

Flux d'exploitation
Encaissements liés à l'activité
Décaissements liés à l'activité
Flux de trésorerie liés à l'activité
Flux d'investissement
Achat net de Bons du Gouvernement
Produits des cessions d'éléments d'actif
Coût d'acquisition des immobilisations corporelles
Moins valeur de cessions des éléments d'actifs
Coût d'acquisition d'immobilisation financière
Construction d'immeuble de placement
Diminution des emprunts à terme
Flux de trésorerie liés aux opérations d'investissement
Flux de financement
Contributions reçues de la part des employeurs et des membres
Remboursements des membres se retirant
Versement des indemnités de décès
Flux de trésorerie liés aux opérations de financement
Augmentation / (Diminution) nette des liquidités
Trésorerie d'ouverture au 1er janvier 2013
Trésorerie de clôture au 31 décembre 2014

Le tableau des flux de trésorerie consolidé doit être lu en tenant compte des notes y afférentes énoncées aux pages 8 à 21 qui font partie intégrante des états financiers.

Vanuatu National Provident Fund**Notes to the financial statements
For the year ended 31 December 2014***Expressed in '000 Vatu***1. Significant accounting policies****a) Basis of preparation**

The Vanuatu National Provident Fund is a Superannuation Fund domiciled in Vanuatu.

The consolidated financial statements consist of the Vanuatu National Provident Fund ('The Fund') and its subsidiary companies (together referred to as a "group").

The consolidated financial statements of the Vanuatu National Provident Fund are prepared in accordance with the requirements of the Vanuatu National Provident Fund Act [CAP189] and the Vanuatu Companies Act [CAP 191] conforming with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

The financial statements of the Group are prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and repayment of liabilities in the ordinary course of business. In addition, under the Vanuatu National Provident Fund Act [CAP 189] if the Fund is unable to pay any sum which is required to be paid under the provisions of the Act the sum required shall be advanced to the Board by the Government.

The financial statements are presented in Vanuatu currency (Vatu). They are prepared on a historical cost basis and do not take into account changing money values or, except where stated, current valuations of non-current assets.

b) Basis of consolidation

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date of acquisition or up to the date of disposal. Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

c) Contributions received and claims paid

Contributions received and claims paid are accounted for on a cash basis.

Caisse Nationale de Prévoyance de Vanuatu**Annexe des comptes annuels
pour l'exercice clos le 31 Décembre 2014***Exprimé en '000 Vatu***1. Principes comptables****a) Principes de base**

La Caisse Nationale de Prévoyance de Vanuatu est une caisse de retraite domiciliée au Vanuatu.

L'état financier consolidé est composé de celui de la Caisse Nationale de Prévoyance de Vanuatu et sa filiale.

Les états financiers consolidés de la Caisse Nationale de Prévoyance de Vanuatu [CAP 189] sont préparés conformément aux normes comptables internationales (IFRS) adoptées par le Comité des Normes Comptables Internationales (IASB), aux interprétations publiées par le Comité d'Interprétation de l'IASB et les règles prévues par la Loi No.12 de 1986 sur les sociétés de la République de Vanuatu.

Les états financiers de la Caisse et sa filiale sont établis selon le principe de la continuité de l'exploitation, ce qui suppose la poursuite des activités, la réalisation des actifs et le paiement des dettes, dans le cadre normal de l'activité. De plus, la loi de la Caisse Nationale de Prévoyance de Vanuatu [CAP 189] stipule que le Gouvernement avancera toute somme réclamée et due, dans l'éventualité où le Fond ne serait pas en mesure de régler ces dernières.

Les états financiers sont présentés en devise du pays, le Vatu. Ils sont établis au coût historique et ne prennent pas en compte la valeur de change monétaire ou excepté là où sont indiquées les évaluations des actifs immobilisés.

b) Principe de consolidation

Les bilans filiaux acquis ou cédés durant l'année sont inclus dans les comptes de résultat consolidés à partir de la date d'acquisition ou le jour de la cession des actifs. Les soldes et les opérations et d'autres gain non rendu compte provenant des opérations des intra-groupes, sont éliminés lors de la préparation des états financiers consolidés.

c) Cotisations perçues et réclamations acquittées

Les cotisations perçues et les réclamations acquittées sont comptabilisées lorsqu'elles sont perçues ou versées.

Vanuatu National Provident Fund

Notes to the financial statements
For the year ended 31 December 2014

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d) Revenue recognition

Revenue is earned from the investment of members' contributions and includes interest income, rental income, surcharges on late payment of contributions by employers, gross proceeds from the sale of non-current assets and sundry income.

e) Foreign currency

Foreign currency transactions are recorded at the rate of exchange ruling at the date of the transactions.

Investments, receivables and payables in foreign currencies, are retranslated at the rate of exchange ruling at the end of the financial year.

All differences are taken to the operating statement.

f) Investments**(i) Investments in debt securities**

Investment securities are those which the Fund purchased with the positive intent and ability to hold until maturity. Such securities are recorded at cost and changes in value are not taken into account unless there is considered to be a permanent diminution in value.

(ii) Investment property

Investment properties are initially stated at cost less accumulated depreciation and impairments. Subsequent recognition is based on periodic valuation.

(iii) Revaluation

Revaluation of investment property is undertaken periodically or when it is believed that the current value is significantly less than the carrying value.

Depreciation is calculated on a straight-line basis over 50 years.

g) Property, plant and equipment**(i) Owned assets****Caisse Nationale de Prévoyance de Vanuatu**

Annexe des comptes annuels
pour l'exercice clos le 31 Décembre 2014

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d) Constatation des produits

Les produits sont générés par l'investissement des cotisations des membres et incluent les intérêts y afférents, les loyers perçus, les majorations pour paiement en retard de la part des employeurs, le produit des cessions d'éléments d'actif à long terme et les produits divers.

e) Devises étrangères

Les opérations en devises étrangères sont converties au taux de change en vigueur à la date de l'opération.

Les investissements, créances et dettes en devises, sont convertis au taux de change en vigueur à la date de clôture du bilan.

Les écarts de change sont constatés dans le compte de résultat.

f) Investissements**(i) Bons du Trésor**

Les bons du trésor correspondent à ceux que la Caisse achète avec la ferme intention de les conserver jusqu'au terme. Ces bons sont enregistrés au coût d'acquisition et les changements de valeur ne sont pas pris en compte tant que la diminution de valeur ne revêt pas un caractère permanent.

(ii) Biens immobiliers

Les immeubles de placement sont initialement évalués au coût, diminué du cumul des amortissements et dépréciations. Après la reconnaissance est basée sur l'évaluation périodique.

(iii) Revaluation

La réévaluation des immeubles de placement est effectué périodiquement ou lorsque que la valeur actuelle est significativement plus importante que la valeur comptable.

L'amortissement se calcule selon le mode linéaire sur une durée de 50 ans.

g) Immobilisations corporelles**(i) Immobilisations détenues**

Vanuatu National Provident Fund**Notes to the financial statements
For the year ended 31 December 2014***Expressed in '000 Vatu*

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (refer accounting policy j). The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for separately.

(ii) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul costs, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the operating statement as an expense as incurred.

(iii) Depreciation

Depreciation is charged to the operating statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment. The estimated useful lives are as follows:

▪ buildings	1.6-2%
▪ leasehold improvements	25%
▪ plant and equipment	20 – 33%

h) Loans and receivables

Loans and receivables are stated at their cost less impairment losses (refer accounting policy j). The carrying value of loans is included on the face of the balance sheet and in note 7 to the financial statements.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits.

Caisse Nationale de Prévoyance de Vanuatu**Annexe des comptes annuels
pour l'exercice clos le 31 Décembre 2014***Exprimé en '000 Vatu*

Les immobilisations corporelles apparaissent pour leur coût d'acquisition net des amortissements cumulés (voir ci-dessous) et des dépréciations éventuelles (se référer au principe comptable j). Le coût des immobilisations produites comprend le prix des matières premières, le coût de la main d'œuvre directe et un pourcentage approprié des frais généraux de la production.

Lorsqu'une immobilisation comprend des composants significatifs avec des durées de vie différentes, ils sont enregistrés séparément.

(ii) Dépenses ultérieures

Les dépenses engagées pour le remplacement d'un composant d'une immobilisation corporelle, qui a été comptabilisé distinctement, frais d'examen et coûts de révision inclus, sont capitalisées. Les dépenses engagées ultérieurement sont capitalisées dans le seul cas où ces dépenses augmentent le profit futur lié à cette immobilisation. Toutes les autres dépenses figurent au compte de résultat en tant que charges.

(iii) Amortissement

La dotation aux amortissements, calculée selon la méthode linéaire sur la durée de vie probable des immobilisations, figure au compte de résultat. Les durées de vie probables sont estimées comme suit :

▪ bâtiment	1.6-2 %
▪ agencement et aménagement	25 %
▪ matériel et équipement	20 – 33 %

h) Prêts et créances

Le poste '*Prêts et créances*' figurent au bilan pour leur montant brut, net de la provision pour créances douteuses (se référer au principe comptable j). La valeur nette comptable des prêts figure au bilan et en note 7 des états financiers.

i) Trésorerie

Le poste trésorerie englobe le solde de la trésorerie et des dépôts à terme.

Vanuatu National Provident Fund**Notes to the financial statements
For the year ended 31 December 2014***Expressed in '000 Vatu***j) Impairment**

The Group's assets are reviewed at the end of the financial year to determine whether there has been any permanent impairment to their carrying amount. If any such impairment is identified, the asset's recoverable amount is assessed. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Any such impairment loss is charged in the operating statement.

Reversals of impairment

An impairment loss is reversed if there has been an improvement in the assessment of the recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

k) Employee entitlements**(i) Wages, salaries and annual leave**

The provision for employees' entitlements to wages, salaries and annual leave represents the amount that the Group has a present obligation to pay resulting from employees' services provided up to balance date. The provision is based on current wage and salary rates and includes related on-costs.

(ii) Severance allowance

Severance pay is calculated at the rate of one month's 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 their respective entitlements.

(iii) Provident fund

Contributions to the employee provident fund are charged against income as incurred.

l) Provisions

A provision is recognised in the balance sheet when the Group 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.

Caisse Nationale de Prévoyance de Vanuatu**Annexe des comptes annuels
pour l'exercice clos le 31 Décembre 2014***Exprimé en '000 Vatu***j) Dépréciation**

Les actifs de la Caisse à la clôture de l'exercice sont revus afin de déterminer une dépréciation éventuelle par rapport à leur valeur nette comptable. Si une telle dépréciation est identifiée, le montant recouvrable est pris en compte. Une dépréciation est constatée lorsque la valeur nette comptable de l'actif excède sa valeur réalisable. Cette dépréciation est comptabilisée en compte de résultat.

Annulation de la dépréciation

Une dépréciation est annulée lorsqu'elle ne s'avère plus nécessaire, la valeur réalisable ayant atteint ou dépassé la valeur nette comptable.

L'annulation d'une telle dépréciation ne peut excéder un certain montant qui rendrait la valeur nette de l'actif supérieure à une valeur comptable calculée si la dépréciation n'avait pas eu lieu.

k) Indemnités dues au personnel**(i) Salaires, traitements et congés payés**

La provision pour charges à payer au personnel, relatives aux salaires, traitements et congés payés correspond au montant dont la Caisse est redevable au titre des services rendus jusqu'à la date de clôture du bilan. La provision est calculée sur le salaire et le taux horaire courant et inclut les coûts afférents.

(ii) Indemnités de départ

La provision pour indemnités de départ est calculée à un taux de un mois de salaire par année de service. Il est présumé que l'employé restera au service de la Caisse pendant la période nécessaire pour pouvoir bénéficier des indemnités de départ.

(iii) Caisse de prévoyance

Les cotisations aux caisses de retraite des employés sont comptabilisées dans le compte de résultat lorsqu'elles sont engagées.

l) Provisions

Une provision est constituée lorsque la Caisse est dans l'obligation légale ou forcée de le faire, suite à un événement précis et dans le cas où il serait probable qu'une dépense devrait être engagée pour répondre à cette obligation.

Vanuatu National Provident Fund

Caisse Nationale de Prévoyance de Vanuatu

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m) Payables

Payables are stated at their cost.

m) Dettes fournisseurs

Les dettes fournisseurs figurent au bilan pour leur coût historique.

n) Value Added Tax (VAT)

Except for rental income and expenditure relating to properties, the operating statement has been prepared so that all components are stated inclusive of VAT. All items in the balance sheet are stated net of VAT with the exception of rental receivables and payables relating to properties, which include VAT invoiced.

n) Taxe sur la Valeur Ajoutée (TVA)

Sauf pour les revenus de loyers et les dépenses relatives aux biens immobiliers, le compte de résultat a été établi en considérant les différents éléments incluant la TVA. Tous les composants du bilan sont établis net de TVA, à l'exception des créances clients relative aux loyers à recevoir et des dettes fournisseurs relatives aux biens immobiliers, qui figurent toutes taxes comprises.

o) Comparatives

Where necessary, comparative information is reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

o) Chiffres comparatifs

Lorsque cela a été jugé nécessaire, certains postes ont fait l'objet de reclassements, afin de présenter des états comparatifs cohérents entre l'exercice en cours et autres renseignements de l'exercice en cours.

	2014	2013	
2. Other operating income			2. Autres produits d'exploitation
Rental income	250,301	187,001	Loyers perçus
Surcharges	55,292	146,484	Pénalités
Gain on disposal of property, plant and equipment	345	161	Plus values de cessions des éléments actifs
Dividends	9,809	14,732	Dividende
Foreign Exchange Gain	65,641	43,154	Le gain sur taux de change
Sundry income	45,695	70,084	Produits divers
	<u>427,083</u>	<u>461,616</u>	
3. Operating expenses			3. Charges d'exploitation
Cost of stocks	18,272	19,187	Variation de stock
Wages and salaries	170,252	154,552	Salaires
Contributions to the Fund	5,861	5,940	Cotisations à la Caisse de retraite
Increase in liability for severance allowance	8,022	12,976	Augmentation de l'engagement pour indemnité de départ
Other personnel related expenses	36,487	28,953	Autres charges de personnel
Audit fees - Parent	1,433	1,096	Frais d'audit - Holding
- Subsidiaries	1,680	542	Filiale
Depreciation expense	162,875	174,395	Dépréciations et amortissements
Maintenance of investment property	11,806	5,505	Entretien et réparation des biens immobiliers
Impairment	88,677	-	Deterioration
Legal expenses	4,358	4,045	Dépenses juridiques
Directors expenses	4,965	5,454	Frais du comité de direction
Other	360,961	264,291	Autres
	<u>875,649</u>	<u>676,936</u>	

Vanuatu National Provident Fund			Caisse Nationale de Prévoyance de Vanuatu
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	<u>2014</u>	<u>2013</u>	
4. Write off			Analyse sectorielle
Write off relates to investments. (2013 VT NIL)			Radiation concerne les investissements (2013 VT RAS)
Urban Property & investments			Propriété urbaine et investissements
Revaluation gain	(59,483)	-	Gain de réévaluation
Revaluation loss	253,296	-	Perte de réévaluation
Write Off Work in Progress	561	-	Travaux en cours annulés
Rural Property			Propriété rurale
Revaluation gain	-	-	Gain de réévaluation
Revaluation loss	9,577	-	Perte de réévaluation
Write off Property Improvements	-	-	Annulation des améliorations des propriétés.
	<u>203,951</u>	<u>-</u>	
5. Cash and cash equivalents			5. Trésorerie
Bank balances	452,029	1,062,207	Disponibilités
Short term deposits	4,278,681	3,552,254	Dépôts à court terme
	<u>4,730,710</u>	<u>4,614,461</u>	
6. Receivables			6. Créances
Trade receivables	17,032	108,899	Créances clients
	<u>17,032</u>	<u>108,899</u>	
Interest receivable	307,571	280,432	Intérêts à recevoir
Prepayments	29,600	23,663	Charges constatées d'avance
Other receivables	1,758	9,812	Débiteurs divers
	<u>355,961</u>	<u>422,806</u>	
7. Loans receivable			7. Prêt
Current			
Loans to members	333,425	187,430	Prêt aux membres
	<u>333,425</u>	<u>187,430</u>	
Non-current			
Loans to members	363,123	437,338	Prêt aux membres
Commercial loan – Interchange Ltd	106,355	0	Prêt commercial
Commercial loan – Air Vanuatu	880,184	697,660	Prêt commercial
	<u>1,349,662</u>	<u>1,134,998</u>	

Vanuatu National Provident Fund

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7. Loans receivable (cont.)

2014

2013

A member loan advanced by Member Financial Services Limited is secured over the member's investment account. Where the loan balance exceeds the investment account balance and there is no reasonable prospect to recover from future contributions to the investment account a provision is created to cover the potential loss. The loans carry a fixed interest rate of 12% per annum and are issued for a term of up to 3 years.

The loan to Air Vanuatu (Operations) Limited is secured by a deed of mortgage, a deed of charge over all the assets of the company and an unlimited guarantee given by the Government. The two separate loans of Vt660,000,000 and Vt220,183,510 incur interest rate charges of 8.75% and 10% per annum respectively. Loans are repayable in 2024 and 2017 respectively.

The Loan to Interchange Limited is at an interest rate of 6.7% for a term of 3 years.

8 Stock

Stock relates to farm stocks consisting of varying types of cattle and pigs valued at standard cost.

Cattle	67,270	59,815
Pigs	598	1,330
	<u>67,868</u>	<u>61,145</u>

9. Other investments

Current

Vanuatu government bonds	450,000	448,940
Term Deposits	529,636	460,998
	<u>979,636</u>	<u>909,938</u>

7. Prêt (suite)

Les prêts à la clientèle avancés par un membre des Services Financiers Limités est entièrement garanti sur le compte d'investissement. Lorsque le solde du prêts dépasse le solde du compte d'investissement et il n'y a aucune perspective raisonnable de récupérer de future cotisation au compte de placement, une provision est constituée pour couvrir la perte potentielle. Les prêts portent un taux d'intérêt fixe de 12% par an et sont émis pour une période maximale de 3 ans.

Le prêt à Air Vanuatu (Operations) Limited est garanti par une hypothèque, un nantissement sur tous les actifs de la société et une garantie illimitée du Gouvernement. Les deux prêts distincts de 415,000,000 Vatu et 282,659,582 Vatu porte un taux de 12% et de 8.75% par an. Prêts remboursable en 2017 et 2024 respectivement.

Le prêt à 'Interchange Limited' est à un taux d'intérêt de 6.7% pour un terme de 3ans.

8 Stock

Le stock concerne le stock de bovins et de porcs évalués au coût forfaitaire.

Bovins
Porcs

9. Autres investissements

Court terme

Bons du trésor de Vanuatu
Dépôts à terme

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9. Other investments (cont.)

9. Autres investissements (suite)

Vanuatu government bonds	3,099,060	2,750,120	Bons du trésor de Vanuatu
Equity Investments	1,835,565	1,762,113	Participations
	<u>4,934,625</u>	<u>4,512,233</u>	

	Not later than 1 year / A moins de 1 an	Between 1 and 2 years / Entre 1 et 2 ans	Between 2 and 5 years / Entre 2 et 5 ans	5 years and above / au-delà de 5 ans	Total
Vanuatu government bonds / Bons du trésor de Vanuatu	450,000	499,060	1,100,000	1,500,000	3,549,060
Equity Investments	-	-	-	1,835,565	1,835,565
Term Deposits	529,636	-	-	-	529,636
	<u>979,636</u>	<u>499,060</u>	<u>1,100,000</u>	<u>3,412,115</u>	<u>5,914,261</u>

2014

2013

10. Investment property

10. Investissement immobilier

Leasehold land and buildings			Terrain à bail et bâtiment
At valuation	2,739,898	4,140,054	Réévaluation plus acquisitions
At cost	414,366	114,416	Coût d'acquisition
Accumulated depreciation	<u>(150,832)</u>	<u>(96,408)</u>	Amortissements cumulés
Closing net book value	3,003,432	4,158,062	Valeur nette comptable à la clôture
Capital work in progress	<u>201,940</u>	<u>181,933</u>	Immobilisations en cours
Total net book value	<u>3,205,372</u>	<u>4,339,995</u>	Valeur nette comptable totale

* Reconciliation of investment property

Mouvement des investissements
immobiliers

Opening net book value	4,339,995	2,665,837	Valeur nette comptable en début d'exercice
Additions	338,060	1,758,911	Acquisitions
Transfers	(1,144,732)		
Disposals	-	(3,843)	Cessions
Revaluations	(233,283)	-	Reévaluation
Depreciation	<u>(94,688)</u>	<u>(80,910)</u>	Amortissement de l'exercice
Closing revaluation /net book value	<u>3,205,372</u>	<u>4,339,995</u>	Valeur nette comptable à la clôture

2014

2013

11. Plant and equipment

11. Immobilisations corporelles

Plant and equipment

Equipements, mobiliers et agencements

At cost	1,577,404	439,684	Coûts
Accumulated depreciation	<u>(323,535)</u>	<u>(255,328)</u>	Amortissements cumulés
Closing net book value	<u>1,253,869</u>	<u>184,356</u>	Valeur nette comptable à la clôture

Vanuatu National Provident Fund

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	2014	2013	
11. Plant and equipment (cont.)			11. Immobilisations corporelles (suite)
<i>Reconciliation of plant and equipment</i>			<i>Variation des immobilisations corporelles</i>
Opening net book value	184,356	187,630	Valeur nette comptable en début d'exercice
Additions	48,966	45,897	Acquisitions
Transfers	1,177,430	0	Transfers
Impairment	(88,676)		
Disposals at written down value	0	(24,068)	Cessions à leur valeur nette comptable
Depreciation	<u>(68,207)</u>	<u>(24,923)</u>	Amortissement de l'exercice
Closing net book value	<u>1,253,869</u>	<u>184,356</u>	Valeur nette comptable à la clôture
12. Payables			12. Dettes
Trade payables	74,072	95,325	Dettes Fournisseurs
Other payables and accrued expenses	<u>2,507</u>	<u>11,255</u>	Charges à payer et créiteurs divers
	<u>76,579</u>	<u>106,580</u>	
	2014	2013	
13. Provisions			13. Provisions
<i>Current</i>			<i>Court terme</i>
Employee entitlements			Personnel
– Annual leave and other	<u>10,699</u>	<u>7,566</u>	– Congés payés et autres
<i>Non-current</i>			<i>Long terme</i>
Employee entitlements			Personnel
– Severance allowance	<u>58,710</u>	<u>53,675</u>	– Indemnités de départ
<i>Movement in severance allowance</i>			<i>Mouvements des indemnités pour rupture de contrat</i>
Balance at 1 January 2014	53,675	47,876	Solde au 1er janvier
Provisions made during the year	8,352	12,169	Dotations de l'exercice
Provisions paid during the year	<u>(3,317)</u>	<u>(6,370)</u>	Indemnités payées sur l'exercice
Balance at 31 December 2014	<u>58,710</u>	<u>53,675</u>	Solde au 31 décembre
14. Members' funds			14. Fonds des membres
Members' funds	17,257,230	16,320,246	Fonds des membres
General Reserve account	(246,378)	(174,284)	Réserve pour indemnités spéciales décès
Special Death Benefit reserve	<u>54,288</u>	<u>53,580</u>	
Total members' funds	<u>17,065,140</u>	<u>16,199,542</u>	Total fonds des membres

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14. Members' funds (cont.)

Funding arrangements

Employers contribute to the Fund at the rate of 4% (2013: 4%) of the gross salaries of those employees who were members of the Fund. Employees contributed to the Fund during 2014 at the rate of 4% (2013: 4%) of gross salary.

An annual deduction from each member's account of Vt640 (2013: Vt640) is made and transferred to the Special Death Benefits reserve.

Liability for Special Death Benefits

A Special Death Benefit of Vt230,000 (2013: Vt230,000) is to be paid out to the beneficiaries of a deceased member. The provision in the balance sheet reflects this obligation.

Interest credited to members

Interest has been credited to members' accounts during the year at the rate of 1.25% (2013: 0%) on their opening balances.

15. Notes to the statement of cash flows

Reconciliation of operating loss to net cash provided by operating activities

Operating profit/(loss) after interest credited to members	(72,094)	473,380
<i>Items classified as investing / financing activities</i>		
- Gain/(loss) on disposal of plant and equipment	0	0
<i>Non-cash items</i>		
Impairments	88,677	0
- Depreciation of plant and equipment	83,480	24,923
- Depreciation of investment property	79,395	149,472
- Interest credited to members' funds	0	8,079

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14. Fonds des membres (suite)

Dispositions quant au financement

Les employeurs contribuent à la Caisse à hauteur de 4% (2013 - 4%) du salaire brut de leurs employés membres de la Caisse. La part de cotisation des employés est de 4% du salaire brut (2013: 4%).

Chaque année, la somme de 640 Vt (2013: 640 Vt) est prélevée sur le compte de chacun des membres et transférée à la réserve pour indemnité spéciale décès.

Passif latent pour indemnités Spéciales Décès

Une indemnité spéciale Décès de 230,000 Vatu (2013: 230,000 Vatu) doit être versée aux bénéficiaires d'un membre défunt. La provision constituée au bilan reflète cette obligation.

Intérêts portés au crédit des membres

Les intérêts sont portés au crédit des membres au cours de l'exercice au taux de 1.25% (2013 : 0%) sur le montant de leur solde de début d'exercice.

15. Notes sur le tableau de flux de Trésorerie

Rapprochement de la perte d'exploitation et de la trésorerie générée par les opérations d'exploitation

Perte d'exploitation après intérêts portés aux crédits des membres	473,380
<i>Éléments classés sous la rubrique Investissements / Financement</i>	
- Plus values sur cessions d'éléments d'actif à long terme	0
<i>Éléments hors trésorerie</i>	
Deterioration	0
- Dépréciation et amortissements	24,923
- Amortissement des investissements immobiliers	149,472
- Intérêts crédités aux fonds des membres	8,079

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	2014	2013	
15. Notes to the statement of cash flows (cont.)			15. Notes sur le tableau de flux de Trésorerie (suite)
<i>Non-cash items</i>			<i>Eléments hors trésorerie</i>
Written off investments-	203,951	0	Investissements annulés
Net unrealised exchange loss	(65,641)	0	Perte de change latent
	<hr/>	<hr/>	
Net cash provided by operating activities before change in assets and liabilities	317,768	655,854	Trésorerie provenant de l'exploitation avant les variations bilancielle
<i>Change in assets and liabilities during the financial year</i>			<i>Variations bilancielle</i>
- Decrease/(increase) in trade debtors	56,867	(98,989)	- Diminution / (augmentation) des créances clients
- Decrease/(increase) in interest receivable	(27,138)	50,372	- Diminution / (augmentation) des intérêts à recevoir
- Increase in sundry debtors	8,054	(5,693)	- Augmentation des débiteurs divers
Increase in prepayment	(5,937)	4,442	Augmentation des charges constatées d'avance
- (Decrease)/ increase in trade creditors and accrued expenses	(30,001)	21,673	- (Diminution)/ augmentation des dettes fournisseurs et charges à payer
- Increase in provisions	8,168	(12,482)	- Augmentation des provisions
Stock	(6,723)	(28,060)	
	<hr/>	<hr/>	
Net cash provided by operating activities	321,058	587,097	Trésorerie provenant des activités d'exploitation

16. Board of Trustees

16. Comité de Direction

*Board Expenses**Dépenses du conseil d'administration*

During the year, board expenses totaled Vt5,734,129 (2013: 5,453,526) and included Vt1,750,000 (2013: VT1,358,405) in sitting allowance

Au cours de l'exercice, les dépenses du Conseil d'administration ont été de 5,734,129 Vatu (2013 : 5,453,526) incluant 1,750,000 Vatu (2013 : Vt 1,358,405) en allocation

17. Group structure

17. Structure du groupe

*(a) Control of the group**(a) Le contrôle du groupe*

The group is ultimately owned by the Members of the Fund.

Le groupe est finalement dirigé par les membres contribuant à la Caisse

*(b) Subsidiaries**(b) Filiales*

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As at 31 December 2014, the Fund owns 100% of the shareholding in Member Financial Services Limited ('MFSL'), Bouffa Limited and VNPF Property Holdings Ltd, its subsidiaries. The Fund is considered to have a controlling interest in these companies are therefore required to consolidate the accounts in accordance with IAS 27.

17. Group structure (cont.)

MFSL was established in accordance with the Amendment to the VNPF Act [CAP 189] to assist all members by allowing them access to financial assistance by way of offering fully secured personal loans.

Name of company	Country of Incorporation	Ownership interest	
		2014	2013
Member Financial Services Ltd	Vanuatu	100%	100%
Bouffa Ltd	Vanuatu	100%	100%
Vanuatu National Provident Fund Property Holdings Ltd	Vanuatu	100%	100%
VNBR Ltd	Vanuatu	50%	50%
Bay Development Ltd	Vanuatu	50%	50%
Interchange Ltd	Vanuatu	37.5%	37.5%
National Bank of Vanuatu	Vanuatu	15%	15%

In addition to the investment in Interchange Limited (ICL) VNPF has provided a share mortgage and credit support to the ANZ in relation to their loans with Interchange Limited VT665,243,209 VNPF Term deposits are held as collateral for ICL loan with ANZ. In 2014 an amount of VT106, 355,813 as was claimed by ANZ under the security.

The VNBR Ltd and Bay Development Ltd own property in Vanuatu. The accounts of which have not been included in the consolidation due to VNPF not being the controlling entity. However the net values of the companies are represented in the balance sheet as investment properties investment property.

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Au 31 Décembre 2014, la Caisse détient 100% des actions/ participation dans 'Member Financial Services Limited' (« MFSL »), 'Bouffa Limited' et la 'VNPF Property holdings Ltd' ses filiales. Le Fond est considéré comme ayant un intérêt majoritaire dans ces entreprises est donc exigée de consolider les comptes en accord avec IAS 27.

17. Structure du groupe (suite)

MFSL est fondé en accord avec l'amendement de la loi de la Caisse Nationale de Prévoyance [cap 189] afin d'aider les membres en les permettant d'accéder à l'aide financier et leur offrant les prêt personnels à garanti complet.

Nom de la société	Pays de l'incorporation	Participation	
		2014	2013
Services des Membres Financier Limité	Vanuatu	100%	100%
Bouffa Limite	Vanuatu	100%	100%
Vanuatu National Provident Fund Property Holdings Ltd	Vanuatu	100%	100%
VNBR Limité	Vanuatu	50%	50%
Bay Development Limite	Vanuatu	50%	50%
Interchange Ltd	Vanuatu	37.5%	37.5%
Banque Nationale de Vanuatu	Vanuatu	15%	15%

En plus de l'investissement dans 'Interchange Limited', la CNPV a fourni une hypothèque et un soutien au crédit à La banque ANZ par rapport à leurs prêts avec 'Interchange Limited'. VT665,243,209 est un Dépôt a terme de la CNPV qui sont détenus à titre de garantie pour le prêt d'ICL avec l'ANZ. En 2014, un montant de VT106, 355,813 a été revendiqué par la l'ANZ en vertu de la sécurité.

Les comptes de VNBR Limited et Bay Development Limite ayant des propriétés au Vanuatu n'ont pas été inclus dans la consolidation car la VNPF ne contrôle pas toute les entités. Toutefois, les valeurs nettes des compagnies sont représenté dans le bilan sous l'intitulé immeuble de placement.

Vanuatu National Provident Fund

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18. Contingent liabilities

The directors are aware of no contingent liabilities as at the date of signing the directors' report (2013: nil).

19. Financial instruments

Exposure to credit, interest rate and currency risk arises in the normal course of the Fund's activities.

Credit risk

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

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Fund.

At the 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 Fund's exposure to interest rate risk and the effective interest rates of financial assets at the balance sheet date are as follows:

Bank balances: Variable rates between 0% - 6.25%

Term deposits: Fixed rates between 5.26% - 8.61%

Government bonds: Fixed rates between 6.75% - 8.55%

Interest rate risk

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

Foreign currency risk**18. Eventualités**

Les directeurs confirment qu'il n'existe pas de passif éventuel à la date du rapport des directeurs (2013: Ras).

19. Instruments financiers

Les risques liés au crédit, au taux d'intérêt et au taux de change font partie de l'activité courante de la Caisse.

Risque de crédit

La direction a mis en place une politique en matière de risque de crédit et l'exposition à un tel risque est suivie de façon régulière. La Caisse n'exige pas de garantie envers ses actifs financiers.

Les investissements sont acceptés seulement en valeurs liquides et envers des contreparties dont le degré de solvabilité est supérieur ou égal à celui de la Caisse.

A la date du bilan, aucun risque de crédit significatif n'a été notifié. L'exposition maximale au risque de crédit est représentée par la valeur comptable de chaque élément des actifs financiers présents au bilan.

Risque de taux d'intérêt

L'exposition de la Caisse aux taux d'intérêt et les taux d'intérêt effectifs des actifs et passifs financiers de la Caisse sont les suivants à la clôture de l'exercice :

Disponibilités : Taux variable entre 0% et 6.25%

Dépôts à terme : Taux fixe entre 5.26% et 8.61%

Bons du Gouvernement : Taux fixe entre 6.75% et 8.55%

Risque de taux d'intérêt

Les autres actifs et passifs financiers ne portent pas intérêt.

Risque lié au taux de change

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The Fund incurs foreign currency risk principally on financial assets that are denominated in a currency other than Vatu. The currency giving rise to this risk are primarily US and Australian dollars.

The Fund does not hedge its exposure to foreign currency fluctuations except as disclosed in Note 21.

19. Financial instruments (cont.)*Fair values*

With the exception of Treasury Notes and Investment properties, the realisable values of the Fund's financial assets and liabilities approximate to the amounts shown in the balance sheet due to their nature and short term of maturity.

20. Capital commitments

There are no capital commitments as at the year ended 31st December 2014.

21 Post balance sheet date events

On 13th March 2015 tropical cyclone Pam caused extensive in Vanuatu. As a result the government permitted members to withdraw up to 20% of their investment funds. The amount withdrawn totalled VUV1,700,000,000 and had no impact on VNPF operations.

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La Caisse encourt un risque lié au taux de change, principalement pour ses actifs financiers libellés dans une devise autre que le Vatu. Le dollar des Etats-Unis est la devise qui augmente de manière significative le risque lié au taux de change.

La Caisse ne se couvre pas contre le risque lié aux fluctuations des devises.

19. Instruments financiers (suite)*Valeurs recouvrables*

A l'exception des Bons du trésor et des biens immobiliers, les valeurs recouvrables des actifs et passifs financiers de la Caisse sont approximativement identiques aux valeurs du bilan, de part leur nature et leur maturité à court terme.

20. Engagements en capital

Aucun engagement sur le capital pour l'exercice clos le 31 Décembre 2014.

Bilan d'événements après la date de clôture

Le 13 Mars 2015 le cyclone tropical Pam a causé d'importants dégâts au Vanuatu. En conséquence, le gouvernement a autorisé les membres de retirer jusqu'à 20 % de leurs fonds d'investissement. Le montant total retiré est VUV 1,700,000,000, il avait eu aucun impact sur les opérations de la CNPV.

