



2012 ANNUAL REPORT

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Message from Chairman

I extend my warmest greetings to you all. It is with honor and a sense of responsibility that:

Acknowledging the Historical Context: Please note that the current Board of Directors and Management team were not at the helm during the financial period under review. The financial statements provided in this report were prepared by HLB Mann Judd, our accountants, based on the source documents available at the time.

A Year Marked by Challenges: The year brought a set of challenges that tested the mettle of our organization. Despite these challenges, our commitment to transparency and accountability remained steadfast.

Audit Completion and Transparency: As of 15th March 2024, the audit for the fiscal year 2012 has been successfully completed. I regret to inform you that, as per the audit findings, Food Processors Fiji Limited incurred a Net Loss of (\$929,733) during that financial year. The auditors have issued their report based on the Basis for Disclaimer of Opinion, citing the significance of the matters described therein.

Honoring Our Legacy: It is imperative that we acknowledge and respect the rich legacy of Food Processors Fiji Limited—a legacy built on growth, dedication, and unwavering customer trust. We are committed to honoring this legacy while gleaned valuable lessons from our history to pave the way for a stronger and more resilient future.

Reaffirming Our Commitment: The current Board of Directors and Management team reaffirm our unwavering commitment to the core values that have defined our organization throughout its storied history. These values encompass quality, sustainability, innovation, and corporate responsibility.

Looking Ahead: While this report casts a retrospective glance, our collective vision remains steadfastly fixed on the horizon of the future. We are resolute in our pursuit of growth, sustainability, and innovation.

A Message of Gratitude: In conclusion, I extend my heartfelt gratitude to each of you, our esteemed shareholders, for your enduring trust and support. Your trust remains our most cherished asset.

Disclaimer: This Statement of Directors is signed by the Chairperson and the Directors of FPFL as of the date of signing as authorised by the Board on behalf of these position holders during the financial year 2012. The signature in no way is to be construed as the signatories assuming any responsibility or liability for the financial transactions for the financial reporting and audit period.

In the face of both challenges and opportunities, let us embrace the path forward with unwavering resolve. Together, we shall continue the enduring journey of Food Processors Fiji Limited, guided by the principles of excellence and unwavering integrity.

Thank you for your continued trust.

Sincerely,



[Raj Sharma] Chairman, Food Processors Fiji Limited

**FOOD PROCESSORS (FIJI) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

In accordance with a resolution of the Board of Directors, the directors herewith submit the statement of financial position of Food Processors (Fiji) Limited (the company) as at 31 December 2012, the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and report as follows:

Directors

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

Mr Raj Sharma
Mr. Nacanieli Sautuca
Mr. Ilisoni Leweniqila
Ms. Anna Morris
Ms. Annabel Ducia
Ms. Jimaima Lako

Principal Activities

The principal activities of the company during the year were that of processing and canning of agro food products, value adding seafood and owners and administrators of properties and investments and farming operations.

There were no significant changes in the nature of these activities during the year.

Results

The net loss of the company for the financial year was \$929,733 (2011: net loss of \$6,459).

Dividends

The directors recommend that no amounts be paid by way of dividends for the year ended 31 December 2012.

Provisions

There were no material movements in provisions during the year apart from the normal amounts set aside for such items as depreciation and doubtful debts.

Reserves

It is proposed that no amounts be transferred to reserves within the meaning of section 42 of the Companies Act, 2015.

Current and Non-Current Assets

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

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

Bad and doubtful debts

Prior to completion of the company's financial statements, the directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and in making of allowance for doubtful debts. In the opinion of the directors, adequate allowance has been made for doubtful debts.

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

Unusual transactions

In the opinion of the directors, the results of the operations of the company during the financial year were not substantially affected by any item, transaction or event of a material unusual nature.

Basis of accounting

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

Events subsequent to balance date

On 16 November 2009, the Cabinet approved the restructure of loan balance from the Government of Fiji to the company, waived accrued interest and suspended interest on the remaining outstanding Government loan balance, until the disposal of underutilized properties of the company, namely NATCO building and Savusavu property. On 21 October 2015, the board of directors noted the previous board's decision and approved the recording of Batiri Farm assets and liabilities in the financial statements of Food Processors (Fiji) Limited from 2008 subject to legal opinion from Solicitor General's office. On 09 June 2017, the Ministry of Public Enterprise provided a written confirmation that Food Processors (Fiji) Limited is the registered title holder and the current lessee of the land.

Furthermore, the Government of Fiji is in the process of divesting its shareholding in the company. At the date of this report, the process is yet to be completed. The company has refinanced its loan from BSP to Fiji Investment Corporation Limited (FICL). This was done to meet the outstanding debt/demand notice from BSP bank. Through Government approval, sale of property was initiated for NATCO Building, Walubay and Savusavu Industrial, Savusavu. This sale of property process is still on going. Upon sale, surplus funds after paying off FICL loan will be used to retain and re-invest in Food Processor's (Fiji) Limited for capital investment purpose. The company is also viewing into conversion of government loan of \$1.9m into equity.

Other circumstances

As at the date of this report:

- (i) No charge on the assets of the company has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) No contingent liabilities have arisen since the end of the financial year for which the company could become liable; and
- (iii) No contingent liabilities or other liabilities of the company has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the company to meet its obligations as and when they fall due.

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

Directors' benefits

Since the end of the previous financial year, no director has received or entitled to receive a benefit (other than benefits disclosed in the financial statements and / or included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements or received as the fixed salary of a full-time employee of any company or of a related corporation) by reason of a contract made with the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he or she has a substantial financial interest.

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

Dated this 4th day of March 2024.


for CHAIRPERSON


.....
DIRECTOR

OFFICE OF THE AUDITOR GENERAL

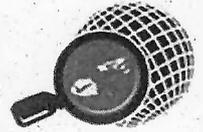
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FOOD PROCESSORS (FIJI) PTE LIMITED

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF FOOD PROCESSORS (FIJI) PTE LIMITED

As auditor for the audit of Food Processors (Fiji) PTE Limited for the financial year 31 December 2012, I declare to the best of my knowledge and belief that there have been:

- (a) No contravention of the auditor independence requirements of the Companies Act, 2015 in relation to the audit; and
- (b) No contravention of any applicable code of conduct in relation to the audit.

This declaration is in respect to Food Processors (Fiji) PTE Limited during the year.

Sairusi Dukuno
ACTING AUDITOR-GENERAL

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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INDEPENDENT AUDITOR'S REPORT

Food Processors (Fiji) PTE Limited

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of Food Processors (Fiji) PTE Limited ("the Company"), which comprise the Statement of Financial Position as at 31 December 2012, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows for the year ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In my opinion, because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

Basis for Disclaimer of Opinion

1. The Company did not maintain proper accounting records relating to Prepayments, Trade and Other Receivables, Inventories, Trade and Other Payables, Property, Plant and Equipment, Current Tax Liability, and Deferred Income of the year ended 31 December 2011. Therefore, I am unable to satisfy myself concerning the opening balances disclosed in the Statement of Financial Position of the Company and the impact it may have on the determination of the closing balances of the 2012 financial statements.

Trade and Other Receivables

2. The Company recorded Trade and Other Receivables (Note 6) balance of \$669,546 in the Statement of Financial Position as at 31 December 2012. While the Company was able to provide reconciliations, relevant supporting documents to verify the balances amounting to \$318,263 were not provided for my verification. In addition, the Company was not able to provide subsidiary listings for Other Receivables, which included Prepayment, and Deposits held amounting to \$174,070 and \$9,174, respectively.

Consequently, I was not able to ascertain the existence and accuracy of the amount and whether any adjustments might be necessary in respect of the Trade and Other Receivables balances at the end of the financial year and any corresponding adjustments for the year ended 31 December 2012.

Other Assets

3. The Company was not able to provide subsidiary listings for Other Assets (Note 11) which included staff and other advance accounts amounting to \$54,435. Hence, I was not able to complete my testing relating to Other Assets balance as at 31 December 2012.

Basis for Disclaimer of Opinion (con't)

Other Assets (con't)

Consequently, I was not able to ascertain the existence and accuracy of the amount and whether any adjustments might be necessary in respect of the Other Assets balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position could not be determined for the year ended 31 December 2012.

Inventory

4. The Company did not perform the annual stock take and was unable to provide me with sufficient appropriate audit evidence to verify the Inventory (Note 10) costing for Raw Materials and Finished Goods, which is valued at \$678,593. I was unable to satisfy myself by alternative audit procedures concerning the inventory quantities held as at 31 December 2012. Accordingly, I am unable to determine the impact of the above limitations, if any, to the inventory balances recorded in the financial statements as at 31 December 2012.

Property Plant and Equipment

5. The Company was not able to provide the appropriate documents to support the Property, Plant and Equipment, and Investment Property accounts amounting to \$2,748,237 and \$3,173,328, respectively. In addition, the Company was not able to provide supporting documentation for additions to plant and machinery for the year 2012 amounting to \$61,131.

Due to the length in time that has lapsed from the financial year to the commencement of the audit, I was unable to perform physical verification tests as to the existence of Property, Plant and Equipment, and Investment Property. The Company did not perform a Board of Survey at the end of the financial year.

Consequently, I was not able to ascertain the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the addition, disposal, and accumulated depreciations at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position could not be determined for the year ended 31 December 2012.

Trade and Other Payables

6. The Company recorded Trade and Other Payables (Note 12) balance of \$1,170,078 in the Statement of Financial Position as at 31 December 2012. While the Company was able to provide reconciliations, relevant supporting documents to verify the balances amounting to \$187,501 were not provided for my verification. Consequently, I was not able to ascertain the existence and accuracy of the amount and whether any adjustments might be necessary in respect of the Trade and Other Payables balances at the end of the financial year and any corresponding adjustments for the year ended 31 December 2012.

Current Tax Liability

7. The Company recorded Current Tax Liability (Note 5(b)) balance of \$252,937 in the Statement of Financial Position as at 31 December 2012. The Company was unable to provide the appropriate reconciliation and supporting documents to verify balances.

Basis for Disclaimer of Opinion (con't)

Current Tax Liability (con't)

8. Consequently, I was not able to ascertain the existence and accuracy of the amount and whether any adjustments might be necessary in respect of the Current Tax Liability balances at the end of the financial year and any corresponding adjustments for the year ended 31 December 2012.

Deferred Income

9. The Company was unable to provide the appropriate reconciliation and supporting documents to verify balances for Deferred Income (Note 14) amounting to \$163,814 as the grant agreements and reconciliation were not available and the record keeping of ongoing grants at year end was not maintained. Consequently, I was not able to ascertain the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the Deferred Income balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position could not be determined for the year ended 31 December 2012.

Operating Income and Expenditure

10. The Company recorded Revenue of \$3,180,441, Rental Income of \$189,639, Other Revenue of \$16,527, Amortization of Deferred Income of \$76,735, Cost of Sales of \$2,674,111, Salaries and Wages of \$830,610 in the Statement of Comprehensive Income. The Company was unable to provide sufficient and appropriate supporting documents for a significant portion of these balances.

Consequently, I was not able to ascertain the completeness and accuracy of the balances and whether any adjustments might be necessary in respect of the balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income could not be determined for the year ended 31 December 2012.

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

Other information

The Directors and Management are responsible for the other information. The other information comprises the information included in the Directors' report but does not include the financial statements and my auditors' report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

Other information (con't)

with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work, I conclude that there is a material misstatement of this other information, I am required to report that fact. Accordingly, I am unable to conclude whether or not the other information is materially misstated with respect to matters described in the Basis for Disclaimer of Opinion.

Responsibilities of the Directors and those Charged with Governance for the Financial Statements

The Directors and Management are responsible for the preparation and fair representation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and the Companies Act 2015. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was unable to provide a basis for an audit opinion of these financial statements.

I provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
15 March 2024

FOOD PROCESSORS (FIJI) LIMITED
STATEMENT BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2012

The current board of directors were appointed during year ended 31 December 2018. Accordingly, the current directors were not involved in management or operations of the company during year ended 31 December 2012. The financial statements has been prepared from the books of account and accounting information and records available with the company.

In accordance with a resolution of the board of directors of Food Processors (Fiji) Limited, and subject to the above comment and to the best of our knowledge and information, we state that in the opinion of the directors:

- (i) the accompanying statement of comprehensive income of the company is drawn up so as to give a true and fair view of the results of the company for the year ended 31 December 2012;
- (ii) the accompanying statement of financial position of the company is drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2012;
- (iii) the accompanying statement of changes in equity of the company is drawn up so as to give a true and fair view of the changes in equity of the company for the year ended 31 December 2012;
- (iv) the accompanying statement of cash flows of the company is drawn up so as to give a true and fair view of the cash flows of the company for the year ended 31 December 2012;
- (v) the financial statements have been prepared in accordance with International Financial Reporting Standards;
- (vi) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due; and
- (vii) all related party transactions have been adequately recorded in the books of the company.

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

Dated this 4th day of March 2024.


.....
CHAIRPERSON


.....
DIRECTOR

FOOD PROCESSORS (FIJI) LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	31 December 2012 \$	31 December 2011 \$
Revenue		3,180,441	3,275,490
Cost of sales		(2,674,111)	(2,201,252)
Gross profit		506,330	1,074,238
Other operating income	2	282,901	452,711
		789,232	1,526,949
Operating expenses	4	(1,976,904)	(1,768,166)
Profit / (loss) from operations		(1,187,672)	(241,217)
Change in fair value of investment property		-	-
Finance cost	3	(62,061)	(85,242)
Profit / (loss) before income tax		(1,249,733)	(326,459)
Income tax expense	5 (a)	-	-
Profit / (loss) after tax		(1,249,733)	(326,459)
Other comprehensive income		-	-
Revaluation of property, plant and equipment		320,000	320,000
Total comprehensive income for the year		(929,733)	(6,459)
Earnings / (loss) per share	19	(1.35)	(0.01)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

FOOD PROCESSORS (FIJI) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Share Capital \$	Reserves \$	Share Deposit \$	Accumulated Profits/ (Losses) \$	Total \$
Balance as at 1 January 2011		687,679	730,370	1,000,000	574,368	2,992,417
Profit for the year					(6,459)	(6,459)
Asset Revaluation reserve	8	-	65,276		-	65,276
Prior Period Adjustment	1.5(k)	-	-	-	-	-
Balance as at 31 December 2011		687,679	665,094	1,000,000	567,909	2,920,682
Loss for the year		-	-	-	(929,733)	(929,733)
Movement in Asset Revaluation Reserve		-	69,539	-	-	69,539
Prior Period Adjustment					(45,665)	(45,665)
Balance as at 31 December 2012		687,679	734,633	1,000,000	(407,489)	2,014,823

FOOD PROCESSORS (FIJI) LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	31 December 2012 \$	31 December 2011 \$
CURRENT ASSETS			
Cash on hand and at bank		75,990	1,293
Trade and other receivables	6	669,546	766,603
Financial assets	7	-	-
Inventories	10	678,593	485,218
Other assets	11	54,435	49,435
Taxation refund due	5(b)	-	-
Total current assets		1,478,564	1,302,549
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,748,237	2,917,061
Investment property	9	3,173,328	2,600,000
Total non-current assets		5,921,565	5,517,061
TOTAL ASSETS		7,400,129	6,819,610
CURRENT LIABILITIES			
Trade and other payables	12	1,170,078	960,211
Current tax liability	5 (b)	252,937	176,703
Interest bearing borrowings	13	409,771	509,739
Total current liabilities		1,832,785	1,646,653
NON-CURRENT LIABILITIES			
Interest bearing borrowings	13	1,488,707	275,540
Non-Interest bearing borrowing	13	1,900,000	1,900,000
Deferred income	14	163,814	76,735
Total non-current liabilities		3,552,521	2,252,275
TOTAL LIABILITIES		5,385,307	3,898,928
NET ASSETS		2,014,823	2,920,682
SHAREHOLDER'S EQUITY			
Issued capital	15	687,679	687,679
Share deposit	15	1,000,000	1,000,000
Asset revaluation reserves		734,633	665,094
Accumulated profits / (losses)		(407,489)	567,909
TOTAL SHAREHOLDER'S EQUITY		2,014,823	2,920,682

The above statement of financial position should be read in conjunction with the accompanying notes.

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


CHAIR PERSON


DIRECTOR

FOOD PROCESSORS (FIJI) LIMITED
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	31 December 2012 Inflows / (Outflows) \$	31 December 2011 Inflows / (Outflows) \$
Cash flows from operating activities			
Receipts from customers		3,555,399	3,778,506
Payments to suppliers, creditors and employees		(3,984,284)	(3,492,630)
Income Tax Paid		76,234	179,924
Cash generated from operations		(352,651)	465,800
Interest and finance costs paid		(62,061)	(85,242)
Net cash used in operating activities		(414,712)	380,558
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment		(623,789)	(673,654)
Proceeds from sale of property, plant and equipment		-	(38,882)
Revaluation Gain			320,000
Net cash provided by / (used in) investing activities		(623,789)	(392,536)
Cash flows from financing activities			
Proceeds from borrowings		845,499	109,469
Net cash provided by financing activities		845,499	109,469
Net decrease in cash and cash equivalents		(193,002)	97,491
Cash and cash equivalents at the beginning of the year		(72,465)	(169,956)
Cash and cash equivalents at the end of the year	16	(265,467)	(72,465)

The above statement of cash flows should be read in conjunction with the accompanying notes.

1.1 General Information

Food Processors (Fiji) Limited (the company) is a limited liability company incorporated and domiciled in Fiji. The address of its registered office and principal place of business is located at Lot 68 - 70, Millet Road, Vatuwaqa, Suva.

The principal activities of the company during the year were that of processing and canning of agro food products, value adding seafood and owners and administrators of properties and investments and farming operations.

There were no significant changes in the nature of these activities during the year.

1.2 Basis of preparation of the financial statements

Statement of Compliance

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Basis of Preparation

The financial statements have been prepared under the historical cost basis, except for property, plant and equipment and investment property that have been measured at fair value in the financial year 2008, and the revalued amounts are being used since.

In the application of IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in Note 1.5.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

1.3 Changes in accounting policy

The company re-assessed its accounting for property, plant and equipment and investment property with respect to measurement of certain classes of property, plant and equipment and investment property after initial recognition. The Company had previously measured all property, plant and equipment and investment property using the cost model whereby after initial recognition of the asset it was carried at cost less accumulated depreciation and accumulated impairment losses.

The Company elected to change the method of accounting for property, plant and equipment and investment property since the Company believes that revaluation model more effectively demonstrates the financial position of property, plant and equipment and investment property.

After initial recognition the Company uses the revaluation model whereby property plant and equipment and investment property will be measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The company adopted this method in 2008.

However in 2009, tax effect for accounting was removed and the prima facie accounting was re-instated. Apart from this change been no other changes and they have been applied on a consistent basis with those of the previous period.

1.4 Standards, Amendments and Interpretations Issued but not yet Effective

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2009 or later periods, but the company has not yet adopted them. No significant impact is expected to arise out of these standards, amendments and interpretations.

- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009).
- IFRS 8, 'Operating segments' (effective from 1 January 2009). IFRS 8 replaces IAS 14.

1.5 Summary of Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

a) Allowance for Doubtful Debts

An allowance is made in respect of debts considered doubtful based on a review of outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

1.5 Summary of Significant Accounting Policies (Cont'd)

b) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

c) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

d) Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise of cash on hand, cash in banks and other short term highly liquid investments that are readily convertible to a known amounts of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated net of bank overdraft. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

e) Comparatives

There have been no changes made to the amounts relating to prior years.

f) Dividend Distribution

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are declared by the company's directors.

g) Employee Benefits

Wages, salaries and sick leave

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are accrued up to the reporting date. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates prevailing at that time.

Defined Contributions Plan

Contributions to Fiji National Provident Fund are expensed when incurred.

h) Foreign Currency Translations

Functional and presentation currency

The company operates in Fiji and hence the financial statements are presented in Fiji dollars, which is the company's functional and presentation currency.

Transactions and Balances

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognized in the statement of comprehensive income in the period in which they arise.

i) Financial Assets

The company classifies its financial assets in the following categories: held-to-maturity investments and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity.

Held-to-maturity investments are measured at subsequent reporting dates at amortised cost.

Held-to-maturity investments in commercial banks by the company are recorded at their amortised cost and not remeasured to market values as they are considered likely to be held to maturity in line with investment objectives and fixed price nature of the investments.

1.5 Summary of Significant Accounting Policies (Cont'd)

i) Financial Assets (cont'd)

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are classified as non-current assets. The company's receivables comprise 'trade and other receivables' disclosed in the statement of financial position (Note 6).

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful debts. An allowance for doubtful debts of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Allowance is raised on a specific debtor level as well as on a collective basis.

Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that a specific debtor balance is impaired. Impairment assessed at a collective level is based on past experience and data in relation to actual write-offs. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

j) Impairment of Non Financial Assets

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

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate value model is used.

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

k) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax for the year

Current tax is recognised as an expense or income in statement of comprehensive income, except when it relates to items credited or debited directly to equity.

l) Inventories

Inventories comprising of merchandise and consumables are valued at the lower of cost or net realisable value. Cost is based on first in first out principle. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. Work in progress and finished goods include raw material costs, direct labour costs, variable overhead and a portion of fixed overhead costs allocated on the basis of normal operating capacity.

m) Leased assets

Assets acquired under finance leases are included as property, plant and equipment in the statement of financial positions. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property. Where assets are acquired by means of finance leases, the present value of the minimum lease repayments is recognised as an asset at the beginning of the lease term and amortised on a straight line basis over the expected useful life of the leased asset. A corresponding liability is also established and each lease payment is allocated between the liability and interest expense.

Other leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to expense in the periods in which they are incurred.

Company as Lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

1.5 Summary of Significant Accounting Policies (Cont'd)

n) Property, Plant and Equipment

Leasehold land and building and plant and equipment are stated at fair value less any subsequent accumulated depreciation and subsequent impairment losses. Revaluation are performed by external independent valuers with sufficient regularity that the carrying amounts do not differ materially from those that would be determined using fair value at the end of each reporting year.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Any revaluation increase arising on the revaluation of such land and buildings is credited as other comprehensive income in the Statement of Comprehensive Income and recorded as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against other comprehensive income and revaluation reserves in the equity; all other decreases are charged as expense in the Statement of Comprehensive Income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings.

Other assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition and installation of the items.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The annual depreciation rates are as follows:

Leasehold land and buildings	Term of lease
Furniture, fittings and office equipment	10 - 20%
Plant and machinery	10 - 20%
Motor vehicles	20%
Renovations	10%

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are taken into account in determining the results for the year.

Capital work in progress principally relates to costs and expenses incurred for capital works in the nature of property, plant and equipment. Capital work in progress is stated at historical cost and is not depreciated.

o) Investment Properties

Investment properties principally comprising freehold land and buildings are held to earn rentals and/or for capital appreciation, are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance date. Gains or losses arising from changes in the fair values of investment properties are included in profit and loss in the year in which they arise. Rental income from investment properties are accounted for.

Investment properties, are derecognized when either they have been disposed or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from their disposal. Any gains or losses on the retirement or disposal of investment properties are taken into consideration in determining the results for the year.

p) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefit required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

q) Deferred Capital Grant

The cost of assets funded by government by way of grant has been capitalized to plant and equipment and the corresponding credit has been taken up as deferred income. The benefit arising from the grant, being the recoupment through depreciation, is credited to revenue over the period of the useful lives of those assets. Other grants are amortised to income in proportion to the expenditure subject to the grant.

r) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

s) Revenue Recognition

Sale of Goods

Sales revenue represents revenue earned from the sale of agro food products and is stated net of returns, trade allowances and Value Added Tax. Revenue from sale of goods are recognised at the point of sale.

Rental Income

Rental income is recognised on an accrual basis and is earned from renting of property and is stated net of Value Added Tax.

Dividend Income

Dividend income from investments is recognised when the right to receive payment is established.

t) Value Added Tax (VAT)

Revenues, expenses, assets and liabilities are recognized net of the amount of VAT, except:

- i) where the amount of VAT incurred is not recoverable from the taxation authority, it is recognized as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii) for receivables and payables which are recognized inclusive of VAT.

The amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

The VAT component of cash flows arising from operating and investing activities which is recoverable from or payable to, the taxation authority is classified as part of operating cash flows.

1.6 Financial Risk Management

1.6.1 Financial Risk Factors

The company's activities expose it to a variety of financial risks: market risks (interest rate risk, foreign exchange risk), credit risk, liquidity risk, regulatory risk and operational risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the executive management under policies approved by the board of directors. The board provides policies for overall risk management.

(a) Market Risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rate and credit spreads which affects the company's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimising the return on risk.

i) Interest Rate Risk

The company has significant interest-bearing borrowings. Borrowings from its sole shareholder, the Fijian Government, is at a fixed interest rate. Hence, there are no interest rate risks during the term of the loan.

The company also has an overdraft and term loan facility from ANZ Banking Group Limited which is at a variable interest rate. This exposes the company to interest rate risk. These risks are managed closely by the directors and the management within the approved policy parameters. For additional borrowings, the company negotiates an appropriate interest rate with banks and other lenders and borrows from banks and other financial institutions which offers the overall favourable terms, including the interest rate.

The risk is monitored and managed by the directors within the approved policy parameters.

ii) Foreign Exchange Risk

The company sells its products overseas and purchases materials from overseas suppliers. To mitigate movements in exchange rates, the company's invoices to customers and from suppliers are quoted in Fijian Dollars.

(b) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management on a regular basis.

The company's credit risk exposure is closely monitored by directors and key management personnel for timely settlement of credit.

(c) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations for its financial liabilities. Prudent and careful management of the company's liquidity position is essential in order to ensure that adequate funds are available to meet the company's ongoing financial obligations.

The company manages liquidity risk by maintaining adequate banking facilities, borrowing from Government and by continuously monitoring forecast and actual cash flows.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 December 2012	On demand	< 1 year	> 1 year
Interest bearing borrowings	-	409,771	2,428,707
Lease liabilities	-	-	-
Trade and other payables	-	1,170,078	-
		<u>1,579,849</u>	<u>2,428,707</u>
<hr/>			
31 December 2011	On demand	< 1 year	> 1 year
Interest bearing borrowings	515,499	441,691	1,215,540
Trade and other payables	-	960,211	-
	<u>515,499</u>	<u>1,401,902</u>	<u>1,215,540</u>

(d) Regulatory Risk

The company's profitability can be impacted by regulatory agencies which govern the business sector in Fiji, specifically food and safety regulatory requirements. The company's operations is also impacted by the Cabinet's decisions.

(e) Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, and fraud to external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The company cannot expect to eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the company is able to manage risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment procedures.

1.6 Financial Risk Management (Cont'd)

1.6.2 Capital Risk Management

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

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

The company monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2012 and 2011 were as follows:

	31 December 2012 \$	31 December 2011 \$
Interest bearing borrowings	3,798,477	2,685,279
Less: cash and short term deposits	<u>75,990</u>	<u>(1,493)</u>
Net debt	3,874,467	2,683,787
Share deposits	1,000,000	1,000,000
Equity	<u>1,014,823</u>	<u>1,920,682</u>
Total capital (equity + net debt)	5,889,290	5,604,469
Gearing ratio % (net debt / total capital)	66%	48%

1.7 Critical Accounting Estimates and Judgements

In application of the company's accounting policies, which are described in Note 1.5, the directors and the management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year and in future are discussed below.

1.7.1 Critical judgments in applying the company's accounting policies

(a) *Impairment of Property, Plant and Equipment and Investment Property*

The directors assesses whether there are any indicators of impairment of all property, plant and equipment and investment property at each reporting date. Property, plant and equipment and investment property are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable provision for impairment is created. The directors and managements assessment of recoverable amount involves making a judgment, at the particular point in time, about inherent uncertain future outcomes of events or conditions.

Accordingly, subsequent events may result in outcomes that are significantly different from assessment for the year ended 31 December 2012, no provision for impairment has been made as the directors reasonably believe that no indicators for impairment exist.

(b) *Impairment of Accounts Receivable*

Impairment of accounts receivable balances is assessed at an individual as well as on a collective level. At a collective level, all debtors in the 90 days and above category (excluding those covered by a specific impairment provision) which are estimated to have been impaired, are accordingly provided for based on historical loss experience and prevailing conditions. Receivables considered uncollectable are written off in the year in which they are identified.

(c) *Prima Facie Tax Option*

In 2009, the company has changed to the prima facie tax option which has given raise to the removal of tax effect accounting hence leading to prior period adjustments for deferred tax assets and deferred tax liability.

(d) *Operating Lease Commitments*

The company has entered in commercial property leases. The company has determined based on an evaluation of the terms and conditions of the arrangements, that it does not retain all the significant risks and rewards of ownership of the property and so accounts for the contracts as operating leases.

FOOD PROCESSORS (FIJI) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - *Continued*
FOR THE YEAR ENDED 31 DECEMBER 2012

2.	Other Operating Income	31 December 2012 \$	31 December 2011 \$
	Amortisation of deferred income	76,735	24,414
	Rental income	189,639	200,527
	Grant Income	-	212,000
	Other income	16,527	15,770
	Total other operating revenue	<u>\$ 282,901</u>	<u>\$ 452,711</u>
3.	Finance Cost		
	Interest expense on:		
	Bank overdraft	33,508	27,679
	Borrowings from ANZ Banking Group Ltd	15,188	24,801
	Borrowings from FDB	17,192	19,756
	Borrowings from Credit Corporation	(7,136)	8,190
	Borrowings from BSP	24,204	-
	Unexpired Interest	(20,894)	4,817
	Total finance cost	<u>62,061</u>	<u>85,242</u>
4.	Profit / (Loss) before Income Tax		
	Profit before income tax has been determined after charging the following operating expenses:		
	Accountancy Fees	20,800	20,150
	Advertising	8,817	12,853
	Audit	5,304	-
	Bank Charges	33,139	23,167
	Cleaning	5,361	10,450
	Consultancy Fees	3,508	5,537
	Depreciation & Amortization	73,120	557
	Directors' Fees	16,456	19,162
	Doubtful Debts	153,003	97,635
	Electricity & Water	97,156	86,816
	Fiji National Provident Fund	85,877	93,502
	FNU Levy	3,827	9,378
	FBT	404	-
	General Expenses	41,138	45,989
	Insurance	120,658	54,948
	Land Lease	41,109	9,510
	Legal Fees - Deductible	34,901	5,698
	Licencing & Subs	8,468	4,323
	Other Expenses	59,021	16,889
	Printing & Stationery	9,223	12,109
	Rent & Rates	27,999	21,846
	Repairs & Maintenance	112,707	117,019
	Salaries & Wages	830,610	959,968
	Sales & Marketing	63,878	52,073
	Staff Expenses	14,931	19,383
	Telephone	61,122	53,428
	Travelling & Accommodation	44,365	16,889
		<u>\$ 1,976,904</u>	<u>\$ 1,768,166</u>
5.	Income Tax		
a)	Income Tax Expense		
	There were no income tax expenses as there were losses made in 2012 and 2011 respectively		
	Profit / (loss) before income tax	<u>(929,733)</u>	<u>(6,460)</u>
b)	Current Tax Liability		
	Balance at the beginning of the year	(3,221)	(3,221)
	Income tax paid during the year	-	-
	Prior year income tax expense	-	-
	Tax (benefit)/liability for current year	-	-
	Deferred Tax Liability	256,158	179,924
	Movement : Prior year Income tax expense	-	-
	Movement : Prior year Income tax expense	-	-
	Balance at the end of the year	<u>252,937</u>	<u>176,703</u>

FOOD PROCESSORS (FIJI) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS - *Continued*
 FOR THE YEAR ENDED 31 DECEMBER 2012

6. Trade and Other Receivables	31 December 2012 \$	31 December 2011 \$
Trade receivable	694,658	608,528
Less: Allowance for doubtful debts	(321,555)	(168,552)
	373,103	439,976
VAT receivable	113,199	152,356
Deposits held	9,174	200
Prepayments	174,070	174,070
Total trade and other receivables, net	669,546	766,603

Trade receivables principally comprise amounts outstanding for selling company products. Trade receivables are non-interest bearing and are generally settled on 30 – 90 days terms.

As at 31 December, the ageing analysis of trade receivables were as follows:

	2012	2011	Total	Past due but not impaired		
				< 30 days	30-60 days	> 60 days
			694,658	653,617	105,164	(291,218)
			608,528	586,731	175,790	(257,717)

Total amounts shown in the analysis is gross of allowance for doubtful debts

7. Financial Assets

Current

(a) A refundable deposit was held with S.S.Prasad of \$200.00 for payment of deposit for Labasa warehouse.

FOOD PROCESSORS (FIJI) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2012

8. Property, Plant & Equipment

	Batiri Farm Property	Leasehold Land & Buildings	Furniture, Fittings & Equipment	Plant & Machinery	Motor Vehicles	Renovations	Total
Gross carrying amount							
Balance at 1 January 2012	998,168	1,100,000	108,146	869,391	190,909	11,494	3,278,108
Additions (b)		30,894	1,506	28,731			61,132
Revaluation (a)	69,168	(88,000)					(18,832)
Disposal	-				49,281		(49,281)
Balance at 31 December 2012	1,067,336	1,042,894	109,652	898,122	141,628	11,494	3,271,127
Accumulated Depreciation							
Balance at 1 January 2012	-	-	91,792	125,952	139,856	3,447	361,047
Depreciation expense	33,400	45,774	6,752	55,417	28,173	1,149	170,665
Re-adjustment of Acc Dep	-		(166)	(1,942)	(6,714)		(8,822)
Disposal							-
Balance at 31 December 2012	33,400	45,774	98,378	179,427	161,315	4,596	522,890
Net written down value							
Balance at 31 December 2011	998,168	1,100,000	16,354	743,439	51,053	8,047	2,917,061
Balance at 31 December 2012	1,033,936	997,120	11,274	718,695	(19,687)	6,898	2,748,237

In accordance with the security arrangements of borrowings, as disclosed in Note 13 to the financial statements, leasehold land & building and plant and equipment of the company have been pledged to ANZ Banking Group Limited as security.

- An independent valuation was carried out Northern Property Valuation and Consultants of the company's Savusavu Property and Batiri Properties to assess their fair value in 2012. The Savusavu Property had been valued at \$112,000 based on market value on 26th June 2012 and Batiri Farm had been valued at \$1003000 on 24th September 2012. The book value of the Savusavu property and Batiri as at balance date were \$200,000 and \$933,832.00 respectively. The excess of market value over book value has been brought to accounts.
- On 25 March 2003, the Cabinet approved liquidation of Batiri Orchards, a subsidiary of National Trading Corporation Limited (NATCO) and to transfer its assets to the Ministry of Agriculture, Sugar and Land Resettlement. However, as per recommendation by the board of directors on 21 October 2015, Batiri Farm property is to be reflected as property, plant and equipment in the current financial statements of Food Processors (Fiji) Limited (the company). On 09 June 2017, the Ministry of Public Enterprise provided a written confirmation that Food Processors (Fiji) Limited is the registered title holder and the current lessee of the land.
- In 2008 the company has adopted the fair value method of valuation and hence the 2008 balances have been revalued to bring the investment property to the market value.

FOOD PROCESSORS (FIJI) LIMITED
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - Continued
 FOR THE YEAR ENDED 31 DECEMBER 2012

9. Investment Property

	Freehold Land & Buildings	Renovations	WIP Renovations	Total
Gross Carrying Amount				
Balance at 1 January 2012	2,338,600	80,461	180,939	2,600,000
Additions	-	-	-	-
Revaluation	569,210	-	-	569,210
Disposal	(169,210)	-	-	(169,210)
	-----	-----	-----	-----
Balance at 31 December 2012	2,738,600	80,461	180,939	3,000,000
Accumulated Depreciation				
Balance at 1 January 2012	-	-	-	-
Depreciation expense	84,605	-	-	84,605
Re-adjustment of Acc Dep	(257,933)	-	-	(257,933)
Disposal	-	-	-	-
	-----	-----	-----	-----
Balance at 31 December 2012	(173,328)	-	-	(173,328)
Net written down value				
Balance at 31 December 2011	2,338,600	80,461	180,939	2,600,000
	=====	=====	=====	=====
Balance at 31 December 2012	2,911,928	80,461	180,939	3,173,328
	=====	=====	=====	=====

- a) During 2012, an independent valuation was carried out by Property Solutions of the company's NATCO property. The NATCO property had been valued at \$3,000,000 based on market value. The book value of the NATCO property as at balance date was \$2,430,790.00. The excess of market value over book value has been brought to accounts.
- b) In 2008 the company has adopted the fair value method of valuation and hence the 2008 balances have been revalued to bring the investment property to the market value.

FOOD PROCESSORS (FIJI) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS - *Continued*
 FOR THE YEAR ENDED 31 DECEMBER 2012

	31 December 2012 \$	31 December 2011 \$
10 Inventories		
Finished goods	267,574	233,871
Raw Materials	411,020	263,701
Less : Obsolete Inventory	-	(12,354)
Total inventories	<u>678,593</u>	<u>485,218</u>
11 Other Assets		
Staff and other advances	<u>54,435</u>	<u>49,435</u>
12 Trade and Other Payables		
Trade payables	1,071,676	873,791
Other payables	98,402	85,420
Refundable deposits	-	1,000
Total trade and other payables	<u>1,170,078</u>	<u>960,211</u>

Trade payables principally comprise amounts outstanding for trade purchases and on-going costs. Trade payables are non-interest bearing and are normally settled on 30 – 60 days term.

13 Interest Bearing Borrowings		
Current - Secured Interest Bearing Borrowings		
Bank overdraft - BSP	-	-
Bank overdraft - ANZ Banking Group Limited (a)	341,462	73,758
Bank loan - ANZ Banking Group Limited (a)	-	37,752
Borrowings - Credit Corporation	7,585	47,546
Fiji Development Bank	<u>60,723</u>	<u>350,683</u>
Total current - secured interest bearing borrowings	<u>409,771</u>	<u>509,739</u>
Non Current - Secured Interest Bearing Borrowings		
Bank loan - BSP	1,488,707	-
Bank loan - ANZ Banking Group Limited (a)	-	275,540
Total non-current - secured interest bearing borrowings	<u>1,488,707</u>	<u>275,540</u>
Non Current - Unsecured Borrowing		
Government of Fiji loan (e)	940,000	940,000
Non current non interest bearing loan - Batiri	960,000	960,000
Total non-current non interest bearing borrowings	<u>1,900,000</u>	<u>1,900,000</u>
	<u>3,798,477</u>	<u>2,685,279</u>

Particulars relating to Secured Interest Bearing Borrowings:

(a) Bank Overdraft and Bank Loan - ANZ Banking Group Limited

Bank loan and bank overdraft from ANZ Banking Group Limited are subject to interest at the rate of 7% per annum. Bank loans are repayable by monthly instalments of \$3,146 (inclusive of interest). Bank overdraft and bank loan facilities from ANZ Banking Group Limited are secured by the following:

- i) First registered mortgage debenture over all assets and undertakings of the company stamped at \$470,000.
- ii) First registered mortgage over crown lease no. 4995 on plan S1339 given by the company over property situated at Millet Road, Vatuwaqa Industrial Subdivision, Suva.
- iii) Letter of charge over term deposit funds of \$161,000.

(b) Bank Overdraft and Bank Loan - BSP

Bank loan and bank overdraft from BSP Banking Group Limited are subject to interest at the rate of 6.5% per annum. Bank loans are repayable by monthly instalments of \$7,405.00 and \$5663.00 (inclusive of interest). Bank overdraft and bank loan facilities from BSP Banking Group Limited are secured by the following:

- i) Registered First Fixed and Floating charge (to be upstamped to \$1,800,000 by FPFL over all company assets, including it's undertakings and paid and unpaid capital.
- ii) First registered mortgage over crown lease number 12439 given by the company over lots 1,2,3, & 18 situated at CD 388 Naqere, Savusavu.
- iii) First registered mortgage over crown lease number 8246,8247 and iTaukei Lease No. 28883 given by the company over lots 1,2,3, on plan CD 389 situated at Batiri Seaqqaq, Macuata.
- iv) First registered mortgage over crown lease number 4995 given by the company over the industrial property located at 68-70, Millet Road, Vatuwaqa, Suva.

(c) Bank Overdraft and Bank Loan - Westpac Banking Corporation

On 2 October 2008, the company refinanced its existing bank overdraft and bank loan in relation to insurance premium funding facility with Westpac Banking Corporation amounting to \$298,311 by ANZ Banking Group Limited.

FOOD PROCESSORS (FIJI) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS - *Continued*
 FOR THE YEAR ENDED 31 DECEMBER 2012

13 Interest Bearing Borrowings (cont'd)
 (d) Government of Fiji Loan

In March 2003 National Trading Corporation Limited (NATCO), a company responsible for the administration of National Marketing Authority in the 1990s was wound up as per Cabinet decision, and its assets and liabilities including, Government loan balance amounting to \$2,900,000, were transferred to the books of Food Processors (Fiji) Limited, in accordance with legal notice No. 18 Public Enterprises (National Trading Corporation Limited) Regulation 2004.

In February 2005, the Cabinet decided that the original loan amounting to \$2,900,000 be restructured as follows:

Original loan	2,900,000
Less: Batiri property / asset to be transferred	(960,000)
Equity of government	<u>(1,000,000)</u>
Net loan	940,000

However, the Ministry of Finance, National Planning and Sugar Industry opposed this decision, stating that transfer of Batiri property cannot be treated as a loan repayment and the restructured loan amount of \$960,000 would need to be recorded as liability in the books of Food Processors (Fiji) Limited.

During the board meeting held on 21 October 2015, the board of directors notes the previous boards decisions and recommended loan restructure recorded in the company's books of account as follows:

Original loan	2,900,000
Equity of government	<u>(1,000,000)</u>
Net loan	1,900,000

Accordingly, assets and liabilities and income and expenditure of Batiri Farm has been recorded in the books of the company in the current financial year.

As part of loan restructure process, Government loan amounting to \$1 million was converted to equity. Since, formalities and documentation for allotment of shares were not completed as at balance date, the loan has been disclosed as share deposits.

The net loan balance was subject to interest at the rate of 5% per annum and repayable over a period of ten years with a moratorium in principle only for the first three years (2004 - 2006).

However, on 16 November 2009, the Cabinet approved to waive all accrued interest on the Government loan and to freeze any interest on the remaining loan until disposal of underutilized properties of the company, namely NATCO building and Savusavu property.

FOOD PROCESSORS (FIJI) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS - *Continued*
 FOR THE YEAR ENDED 31 DECEMBER 2012

14	Deferred Income	31 December 2012 \$	31 December 2011 \$
	Deferred income relating to grants received from Ministry of Agriculture, Fisheries and Forests (MAFF) for:		
	Vacuum packaging machine and can seamer	61,000	61,000
	Glass line equipment, labelling and pacing can machine	53,333	53,333
	Retort control	12,667	12,667
	Equipment & fixtures	57,153	57,153
	3 tonne truck	30,000	30,000
	NES grant from Ministry of Industry and Trade 2011	101,149	101,149
	Rental Income for Jan	650	650
	NES grant from Ministry of Industry and Trade 2012	163,814	
		<u>479,766</u>	<u>315,952</u>
	Less: accumulated amortisation	(315,952)	(239,217)
	Total deferred income	<u>163,814</u>	<u>76,735</u>
		=====	=====
	The NES grant received from Ministry of Industry and Trade was used as operating income during the year due to cashflow constrains		
15	Share Capital		
	Authorised capital		
	1,000,000 ordinary shares of \$1 each	<u>1,000,000</u>	<u>1,000,000</u>
	Issued and paid up capital		
	687,679 ordinary shares of \$1 each	<u>687,679</u>	<u>687,679</u>
		-----	-----
16	Notes to the Statement of Cash Flows		
	Cash and Cash Equivalents		
	Cash and cash equivalents comprise of cash on hand, cash in banks and other short term highly liquid investments, net of bank overdraft. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:		
	Cash on hand and with bank	75,990	1,293
	Bank overdraft	(341,462)	(73,759)
		<u>(265,472)</u>	<u>(72,466)</u>
		=====	=====
17	Commitments		
	(a) Capital Expenditure Commitments		
	The capital commitments as at 31 December 2012 amounted to \$Nil (2011: \$Nil).		
	(b) Operating Lease Income Commitments		
	Operating lease income relates to rental income from NATCO building rented out as follows:		
	Not later than one year	184,998	184,998
	Later than one year but not later than five years	644,141	644,141
	Later than five years	379,011	379,011
	Total operating lease income commitments	<u>1,208,150</u>	<u>1,208,150</u>
		=====	=====
18	Contingent Liabilities		
	The contingent liabilities as at 31 December 2012 amounted to \$Nil (2011: \$Nil).		
19	Earnings / (Loss) per Share		
	Earnings / (loss) per share is calculated by dividing the profit / (loss) attributable to equity holders of the company by the weighted average number of ordinary shares.		
		31 December 2012 \$	31 December 2011 \$
	Profit / (loss) attributable to equity holders of the company	(929,733)	(6,459)
	Weighted average number of ordinary shares on issue	687,679	687,679
	Earnings / (loss) per share	<u>(1.35)</u>	<u>(0.01)</u>
		=====	=====

FOOD PROCESSORS (FIJI) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS - *Continued*
 FOR THE YEAR ENDED 31 DECEMBER 2012

20 Related Party Transactions

a) Directors

The names of persons who were directors of the company at any time during the financial year are as follows:

Mr Dilip K Jamnadas	Ms Sera Berry F Nicholls
Ms Marica R Hallacy	Dr Richard Beyer

b) Amounts Due to and Receivable from Related Parties

	2012	2011
	\$	\$
Government of Fiji Loan	1,900,000	1,900,000

c) Key Management Personnel Remuneration

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

During the year, the General Manager / Financial Controller were identified as key management personnel, with greatest authority and responsibility for the planning, directing and controlling the activities of the company.

The remuneration of the key management personnel during the year was as follows:

	\$	\$
Salaries	101,000	101,000
Superannuation	35,816	35,816
Other Benefits	15,950	15,950
Total	<u>152,766</u>	<u>152,766</u>

d) Directors Fees

Directors fees of \$16456 (2011 : \$19,162) was paid to directors.

21 Events Subsequent to Balance Date

On 16 November 2009, the Cabinet approved the restructure of loan balance from the Government of Fiji to the company, waived accrued interest and suspended interest on the remaining outstanding Government loan balance, until the disposal of underutilized properties of the company, namely NATCO building and Savusavu property. On 21 October 2015, the board of directors noted the previous board's decision and approved the recording of Batri Farm assets and liabilities in the financial statements of Food Processors (Fiji) Limited from 2008 subject to legal opinion from Solicitor General's office. On 09 June 2017, the Ministry of Public Enterprise provided a written confirmation that Food Processors (Fiji) Limited is the registered title holder and the current lessee of the land.

Furthermore, the Government of Fiji is in the process of divesting its shareholding in the company. At the date of this report, the process is yet to be completed. The company has refinanced its loan from BSP to Fiji Investment Corporation Limited (FICL). This was done to meet the outstanding debt/demand notice from BSP bank. Through Government approval, sale of property was initiated for NATCO Building, Walubay and Savusavu Industrial, Savusavu. This sale of property process is still on going. Upon sale, surplus funds after paying off FICL loan will be used to retain and re-invest in Food Processor's (Fiji) Limited for capital investment purpose. The company is also viewing into conversion of government loan of \$1.9m into equity.

22 Financial Instruments

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

<i>Financial assets</i>	2012	2011
	\$	\$
Cash	75,990	1,293
Trade and other receivables	669,546	766,603
Term deposit/Refundable deposit for warehouse	9,064	200
	<u>754,600</u>	<u>768,096</u>
<i>Finance liabilities</i>		
Bank overdraft	-	73,758
Interest bearing borrowings	3,388,707	2,555,617

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

23 Principal Activities

The principal activities of the company during the year were that of processing and canning of agro food products, value adding seafood and owners and administrators of properties and investments and farming operations.

There were no significant changes in the nature of these activities during the year.

24 Company Details

a) Company Incorporation

The company was incorporated in Fiji under the Companies Act, 2015.

b) Registered Office and Principal Place of Business

The registered office and principal place of business of the company is located at:

Lot 68 - 70, Millet Road
 Vatuwaqa
 SUVA

25 Approval of Financial Statements

These financial statements were authorised for issue by the directors on 04/08/2024 2024.