



2018 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:

1. Introduction

This report provides an overview of the company's performance over the past financial year, which has been challenging yet marked by resilience and strategic adaptations. The economic landscape has influenced our operations significantly, especially with recent adjustments in interest rates and changes in government policies impacting various sectors. As Chairman, I reflect on the dedication of our teams and the strategic initiatives we have undertaken to navigate these challenges effectively.

2. Financial Overview

Revenue and Profitability

Despite the economic headwinds, our company achieved a notable revenue growth this year, demonstrating strong resilience. However, profitability was affected due to increased costs, particularly in compliance and operational adjustments to align with regulatory requirements. I regret to inform you that, according to the audit findings for the fiscal year 2018, Food Processors Fiji Limited incurred a net loss of (\$374,370). The auditors issued their report based on the Basis for Disclaimer of Opinion, citing the significance of the matters described therein. Additionally, the company had encountered challenges with loan repayments to BSP due to cash flow constraints, further strained by rising operational cost. Key financial metrics show a steady upward trend in revenue but also highlight areas needing improvement in cost management.

Cost Management

We implemented several cost control initiatives to enhance operational efficiency, including renegotiating supplier contracts and optimizing resource allocation. These measures are expected to yield positive results in the coming financial year.

Dividends

Considering our current financial performance, the Board has decided to maintain zero dividend for the year, ensuring we balance shareholder returns with the need to reinvest in the company's growth.

3. Strategic Progress

Our strategic goals have been primarily focused on operational resilience and long-term growth. This year, we made significant strides in our divestment strategy, notably with the disposal of the investment property (NATCO) to pay off the remaining debts of FPFL, as we continue to explore strategic investor options for optimal value realization. Furthermore, partnerships with stakeholders in the agriculture sector have begun to bear fruit, aiding in our sustainability goals.

4. Operational Performance

Across our divisions, key performance highlights include successful negotiations leading to the resolution of outstanding rent issues with the Ministry of Agriculture renting at Batiri property and Freight Services Ltd renting at NATCO property in Walubay. Sales performance faced challenges due to weather-related disruptions, prompting the implementation of a comprehensive recovery plan. Additionally, we effectively managed operational challenges, including staffing turnover and ongoing legal matters, ensuring continuity in service delivery.

5. Sustainability and Corporate Responsibility

Our commitment to sustainability remains paramount, as we have made progress towards our ESG goals. This year, we focused on reducing our environmental footprint and supporting community initiatives. Notable achievements include partnerships aimed at sustainable agricultural practices and efforts to enhance governance frameworks within our operations.

6. Human Capital and Culture

We recognize that our employees are our most valuable asset. This year, we prioritized talent development and employee engagement, fostering a workplace culture that emphasizes diversity and inclusion. Despite facing recruitment challenges, we successfully filled several key positions, contributing to our overall workforce wellbeing.

7. Market Outlook and Future Plans

Looking ahead, the market presents both challenges and opportunities. We anticipate continued volatility due to regulatory changes and economic fluctuations. However, our strategic priorities for the coming year include strengthening our market position through targeted growth initiatives and enhancing operational efficiencies.

8. Governance and Board Activities

The Board has remained active in overseeing our strategic initiatives, with several new appointments and retirements during the year. We have focused on strengthening our governance structures to enhance accountability and transparency in our operations. However, we are currently facing backlog issues in financial reporting. The Board is working closely with management to address these backlogs, ensuring that all outstanding matters are resolved in a timely manner. The Board's ongoing commitment to effective oversight ensures we remain aligned with our strategic objectives.

9. Conclusion

In conclusion, I extend my heartfelt gratitude to our shareholders, employees, and stakeholders for their unwavering support and commitment. Despite the challenges faced this year, including the significant audit findings, I remain optimistic about our future. Together, we will continue to navigate these challenges and pursue sustainable growth and success for Food Processors (Fiji) Pte Ltd.

Thank you for your continued trust.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Raj Sharma', is positioned above the typed name.

[Raj Sharma] Chairman, Food Processors Fiji Limited

**FOOD PROCESSORS (FIJI) PTE LIMITED
COMPANY DIRECTORY
AS AT 31 DECEMBER 2018**

NATURE OF BUSINESS	:	Processing and canning of agro food products, value adding seafood and owners and administrators of properties and investments and farming operations.
REGISTERED OFFICE	:	Lot 68 - 70 Millet Rd Vatuwaqa Industrial Sub Division Suva, Fiji
DIRECTORS	:	Mr. Raj Sharma Mr. Nacanieli Sautuca Mr. Ilisoni Leweniqila Ms. Anna Morris Ms. Annabel Ducia Ms. Jemaima Lako
COMPANY SECRETARY	:	Naushad Ali
ACCOUNTANT	:	PKF aliz pacific Chartered Accountants & Business Advisors Suva & Nadi
BUSINESS LOCATION	:	Lot 68 - 70 Millet Rd Vatuwaqa Industrial Sub Division Suva, Fiji

**FOOD PROCESSORS (FIJI) PTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Directors present their report together with the financial statements of Food Processors (Fiji) Pte Limited for the year ended 31 December 2018 and the accountant's report thereon.

Directors

The Directors of the Company in office during the financial year and up to the date of this report are:

- | | |
|---------------------------|----------------------|
| 1. Mr. Raj Sharma | 4. Ms. Anna Morris |
| 2. Mr. Nacanieli Sautuca | 5. Ms. Annabel Ducia |
| 3. Mr. Ilisoni Leweniqila | 6. Ms. Jemaima Lako |

State of Affairs

In accordance with a resolution of the Board of Directors, the Directors herewith submit the accompanying statement of financial position gives a true and fair view of the state of affairs of the Company as at 31 December 2018 and the accompanying statement of comprehensive income, statement of changes in equity and statement of cash flows give a true and fair view of the results, changes in equity and cash flows of the Company for the year then ended.

Principal Activity

The principal activity of the Company during the course of the financial year was the operation 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 the activities of the Company during the financial year.

Trading Results

	31 December 2018 \$FJ	31 December 2017 \$FJ
Net (Loss) from operation	(374,370)	(303,952)
Income Tax (Benefit)	-	-
Net (Loss) after Income Tax	(374,370)	(303,952)

Dividends

No dividends have been paid or declared since the commencement of the year and the Directors recommend that no dividend be

Current Assets

The Directors took reasonable steps before the Company's financial statements were made out to ascertain that the current assets of the Company were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributable to the current assets in the financial statements to be misleading.

Receivables

The Directors took reasonable steps before the Company's financial statements were made out to ascertain that all known bad debts were written off and adequate allowance was made for impairment losses.

At the date of this report, the Directors are not aware of any circumstances which would render the above assessment inadequate to any substantial extent.

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 to bad debts and in making of allowance for doubtful debt. 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.

Related Party Transactions

All related party transactions have been adequately recorded in the financial statements.

Reserves

The Directors recommend that no amounts be transferred to or from reserves.

Other Circumstances

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

Unusual Circumstances

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

Events Subsequent to Balance Date

The Novel Corona Virus

The novel coronavirus (COVID 19) outbreak developed during the financial year 2020 presents a significant challenge for Fiji and many countries including main trading partners of Fiji. The impact of COVID 19 outbreak on public life and the economy in Fiji and globally has an impact on the overall operations of the company including its liquidity and cash flows for 2020 financial year.

The companies export sales and local sales were mainly affected during the lockdown period in the months of March and April 2020.

Signed for and behalf of the Board and in accordance with a resolution of the Directors

Dated at Suva this 30th day of July 2024.



Chairperson



Director

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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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 2018, 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.

Finau Seru Nagera
AUDITOR-GENERAL

OFFICE OF THE AUDITOR GENERAL

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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 2018, 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 and Detailed Statement of Profit and Loss.

In my opinion, because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, 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 Cash and Cash Equivalents, Trade and Other Receivables, Inventory, Trade and Other Payables, Property, Plant and Equipment, Current Tax Liability and Operating Income and Expenditure for the year ended 31 December 2017. 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 2018 financial statements.

Cash and Cash Equivalents

2. The Company recorded Cash and Cash Equivalents (Note 8) balance of \$736,404 in the Statement of Financial Position as at 31 December 2018. While the Company was able to provide the bank audit certificate, there exists an unreconciled variance of \$60,464.

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 Cash and Cash Equivalents 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 2018.

Basis for Disclaimer of Opinion (con't)

Trade and Other Receivables

3. The Company recorded Trade Receivables (Note 11) balance of \$445,871 in the Statement of Financial Position as at 31 December 2018. While the Company was able to provide reconciliations, relevant supporting documents to verify the balances amounting to \$445,871 were not provided for my verification. In addition, the Company was not able to provide subsidiary listings for Other Receivables which included Prepayments amounting to \$169,177.

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 2018.

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 7) costing for Raw Materials and Finished Goods, which is valued at \$389,254. I was unable to satisfy myself by alternative audit procedures concerning the inventory quantities held as at 31 December 2018. 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 2018.

Property Plant and Equipment

5. The Company was not able to provide the appropriate documents to support Property, Plant and Equipment (Note 13), and Investment Property (Note 14) accounts amounting to \$3,600,408 and \$4,762,051 respectively. 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, Construction in Progress, Investment Property, and Intangible Assets. 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 2018.

Trade and other Payables

6. The Company recorded Trade and Other Payables (Note 15) balance of \$1,087,780 and \$1,017,735 respectively in the Statement of Financial Position as at 31 December 2018. While the Company was able to provide reconciliations, relevant supporting documents to verify the balance 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 2018.

Basis for Disclaimer of Opinion (con't)

Deferred Income

7. The Company recorded Deferred Income (Note 17) balance of \$92,000 in the Statement of Financial Position as at 31 December 2018. The Company was unable to provide the appropriate reconciliation and supporting documents to verify the balances. 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 deferred income balances at the end of the financial year and any corresponding adjustments for the year ended 31 December 2018.

Current Tax Liability

8. The Company recorded Current Tax Liability (Note 10(ii)) balance of \$329,171 in the Statement of Financial Position as at 31 December 2018. The Company was unable to provide the appropriate reconciliation and supporting documents to verify the balances. 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 tax liability balances at the end of the financial year and any corresponding adjustments for the year ended 31 December 2018.

Operating Income and Expenditure

9. The Company recorded Sales Revenue of \$2,200,761, Other Income of \$179,652, Cost of Sales of \$1,405,278, Total Expenses of \$793,690, Finance Costs of \$226,238 and Depreciation Expense of \$329,577 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 2018.

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 Accountant's *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 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.

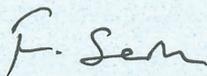
Those charged with governance are responsible for overseeing the Company's financial reporting process.

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.



Finau Seru Nagera
AUDITOR-GENERAL



Suva, Fiji
17 August 2024

FOOD PROCESSORS (FIJI) PTE LIMITED
STATEMENT BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018

In accordance with a resolution and in the opinion of the Directors of FOOD PROCESSORS (FIJI) PTE LIMITED, we state that :-

- (a) the accompanying Statement of Comprehensive Income is drawn up so as to give a true and fair view of the results of the Company for the year ended 31 December 2018;
- (b) the accompanying Statement of Changes in Equity for the year ended 31 December 2018 is drawn up so as to give a true and fair view of the movement in shareholders funds;
- (c) the accompanying Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2018;
- (d) the accompanying Statement of Cash Flows is drawn up so as to give a true and fair view of the cash flow of the Company for the year ended 31 December 2018;
- (e) 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;
- (f) all related party transactions have been adequately recorded in the books of the Company; and
- (g) The Financial Statements have been made out in accordance with Applicable Accounting Standards and the Companies Act,

Signed for and behalf of the Board and in accordance with a resolution of the Directors

Dated at Suva this 30th day of July 2024.

Khachek
Chairperson

[Signature]
Director

FOOD PROCESSORS (FIJI) PTE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	31 December 2018 \$FJ	31 December 2017 \$FJ
Revenue		2,200,761	3,246,273
Cost of Sales	4	1,405,278	1,765,473
Gross Profit		795,483	1,480,800
Other Income	3	179,652	120,280
Total Income		975,135	1,601,081
Administrative Expenses	5	14,971	17,690
Other Operating Expenses	6	778,719	1,569,671
Profit from Operations		181,444	13,719
Finance Costs		226,238	184,430
Depreciation Expense		329,577	133,242
Operating (Loss) Before Income Tax		(374,370)	(303,952)
Income Tax Expense	10 (i)	-	-
Net (Loss) after Income Tax		(374,370)	(303,952)
Other Comprehensive income for the year			
Change in fair value of Investment Properties	14	1,000,000	-
Items that will not be reclassified to profit or loss:			
Revaluation Surplus on Land, net of capital gains tax	13(iii)	90,000	-
Revaluation Surplus on Building, net of tax	13(iii)	790,000	-
Total Comprehensive Income/(Loss) for the year		1,505,630	(303,952)

The Statement of Comprehensive Income is to be read in conjunction with the Applicable Accounting Policies and Notes to the Financial Statements set out on pages 14 to 29.

FOOD PROCESSORS (FIJI) PTE LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital	Asset Revaluation Reserves	Share Deposit	Accumulated Losses	Total
	\$FJ	\$FJ	\$FJ	\$FJ	\$FJ
Balance as at 31 December 2016	687,679	1,091,179	1,000,000	(985,852)	1,793,006
Total comprehensive income for the year					
Net (Loss) after tax for the year	-	-	-	(303,952)	(303,952)
Revaluation Surplus on Land, net of CGT	-	-	-	-	-
Revaluation Surplus on Building, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(303,952)	(303,952)
Balance as at 31 December 2017	687,679	1,091,179	1,000,000	(1,289,804)	1,489,054
Total comprehensive income for the year					
Net (Loss) after tax for the year	-	-	-	(374,370)	(374,370)
Revaluation Surplus on Land, net of CGT	-	90,000	-	-	90,000
Revaluation Surplus on Building, net of tax	-	790,000	-	-	790,000
Other comprehensive income for the year	-	-	-	1,000,000	1,000,000
Total Comprehensive Income for the year	-	880,000	-	625,630	1,505,630
Balance as at 31 December 2018	687,679	1,971,179	1,000,000	(664,174)	2,994,684

The Statement of Changes in Equity is to be read in conjunction with the Applicable Accounting Policies and Notes to the Financial Statements set out on pages 14 to 29.

FOOD PROCESSORS (FIJI) PTE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	31 December 2018 \$FJ	31 December 2017 \$FJ
Current Asset			
Cash and Cash Equivalents	8	736,404	61,476
Inventories	7	389,524	67,247
Trade and Other Receivables	11	618,828	671,843
Total Current Assets		1,744,756	800,565
Non Current Asset			
Property, Plant and Equipment	13 (i)	3,600,408	2,679,984
Investment Property	14	4,762,051	3,762,051
Biological Asset	12	320,000	320,000
Total Non Current Assets		8,682,459	6,762,035
Total Assets		10,427,215	7,562,601
Current Liabilities			
Trade Payables	15 (i)	1,087,780	960,175
Current Tax Liabilities	10 (ii)	329,171	329,171
Interest Bearing Borrowings	19	156,000	13,000
Bank Overdraft	18	10,604	11,872
Employee Entitlement	16	4,148	4,365
Deferred Tax Liability	10 (iii)	363,821	123,821
Deferred Capital Gains Tax Liability	10 (iv)	182,900	52,900
Total Current Liabilities		2,134,425	1,495,304
Non Current Liabilities			
Interest Bearing Borrowings	19	2,288,373	2,433,158
Non Interest Bearing Borrowings	20	1,900,000	1,900,000
Deferred Income	17	92,000	-
Other Payables	15 (ii)	1,017,735	245,086
Total Liabilities		7,432,533	6,073,549
Net Assets		2,994,684	1,489,054
Shareholders Equity			
Share Capital	21	687,679	687,679
Share Deposit		1,000,000	1,000,000
Asset Revaluation Reserves		1,971,179	1,091,179
Accumulated Losses		(664,174)	(1,289,804)
Total Shareholders Equity		2,994,684	1,489,054

These Financial Statements have not been audited

Signed for and behalf of the Board and in accordance with a resolution of the Directors


Chairperson


Director

The Statement of Financial Position is to be read in conjunction with the Applicable Accounting Policies and Notes to the Financial Statements set out on pages 14 to 29.

FOOD PROCESSORS (FIJI) PTE LIMITED
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	31 December 2018 \$FJ	31 December 2017 \$FJ
Cash Flows from Operating Activities			
Receipts from Customers		2,200,761	3,246,273
Payments to Suppliers and Employees		(1,296,542)	(3,036,969)
Interest Paid		(226,238)	(184,430)
Net Cash Provided by Operating Activities	9 (ii)	<u>677,981</u>	<u>24,875</u>
Cash Flows from Investing Activities			
(Acquisition) of Property, Plant & Equipment		-	-
Net Cash (Used in) Investing Activities		<u>-</u>	<u>-</u>
Cash Flows from Financing Activities			
(Repayments to)/Proceeds to Interest Bearing Borrowings		(1,785)	11,360
Net Cash (Used in)/Provided by Financing Activities		<u>(1,785)</u>	<u>11,360</u>
Net Increase in Cash and Cash Equivalents		676,196	36,234
Cash Balance at Beginning of the Year		49,604	13,370
Cash and Cash Equivalent at End of the Year		<u><u>725,800</u></u>	<u><u>49,604</u></u>

The Statement of Cash Flows is to be read in conjunction with the Applicable Accounting Policies and Notes to the Financial Statements set out on pages 14 to 29.

1. General Information

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. The Company is a limited liability Company incorporated and domiciled in Fiji islands. The address of its registered office is and principal place of business is located at Lot 68 - 70, Millet Road, Vatuwaqa, Suva, Fiji.

2. Summary of Significant Accounting Policies

The financial statement of the company have been prepared in accordance with International Financial Reporting Standards

a) Statement of Compliance

Basis of Presentation

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 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 circumstances, the results of which form the basis of making the judgments. Actuals results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or 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 Notes.

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

b) Changes in Accounting Policies

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 that 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 adopt 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.

c) Functional and presentation currency

The Financial statements are presented in Fiji Dollars, which is the Company's functional currency, rounded to the nearest dollar.

All foreign currency transactions during the financial year are bought 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.

2. Summary of Significant Accounting Policies (Continued)

Standards Issued but not Effective

The standards and interpretations that are issued, but not applicable up to issuance of the company's financial statements disclosed below.

<u>Reference</u>	<u>Title</u>
IFRS 9	Financial Instruments
IFRS 16	Leases

Standard Issued and Applicable

IFRS 15	Revenue from Contracts with Customers (1 January 2018)
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IFRS 15 Revenue from contracts with customers applies to Food Processors (Fiji) Pte Limited on the income generated from contract customers.

d) Current Versus Non-Current Classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve
- It is held primarily for the purpose of trading; and
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

e) Finance cost

Finance cost comprise interest expense on bank loans and borrowings. Borrowing cost are recognized in the profit and loss using the effective interest method.

Unrealized exchange gains or losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in net gain or loss position.

f) Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash on hand, cash at bank and bank overdraft. Bank overdraft that is repayable on demand and form part of the Company's cash management is included in current liabilities within the statement of financial position.

g) Trade and Other Receivables

Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amount due according to the original terms of the receivables.

2. Summary of Significant Accounting Policies (Continued)

h) Property, Plant & Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Depreciation on the other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method on the basis of maximum rates allowed by Fiji Revenue and Customs Services.

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.

	<u>Rates</u>
Leasehold land and buildings	Term of Lease
Furniture & Fittings	12.5% - 25%
Equipment	12.5% - 25%
Motor Vehicles	25%

i) 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 recognized as an asset at the beginning of the lease term and amortized on a straight line basis over the expected useful life of the leased assets. 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 recognized on a straight line basis over the term of the relevant lease.

j) 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 transactions 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 value 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 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 gain or losses on the retirement or disposal of investment properties are taken into consideration in determining the results for the year.

k) Provisions

Provisions are recognized 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 estimates can be made of the amount of the obligation.

The amount recognized 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 benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

2. Summary of Significant Accounting Policies (Continued)

l) Inventories

Inventories are stated at a lower of cost and estimated selling price less cost to complete and sell. Cost is determined using first-in first-out (FIFO) method.

m) Trade and Other Payables

Trade and other payables are measured initially and subsequently at cost. Trade and other payables are recognized when there is a contractual obligation to deliver cash or other financial assets to another party.

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risk specific to the liability.

n) Share Capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of direct cost of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

o) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value added tax, returns, rebates and discounts.

p) Grants Received

Grants received are recognized in profit and loss on a systematic basis over the periods in which the entity recognizes expenses for the related costs for which the grants are intended to compensate. Grants and funds received for specific end purpose is recognized as revenue when the conditions attached to the grants and funds have been met.

q) Loans and Borrowings

Interest bearing borrowings are recognized initially at cost, less attributable transactions costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in profit or loss over the period of the borrowings on an effective interest basis.

This is disclosed in the financial statements as current and non-current liabilities.

r) Value Added Tax (VAT)

Revenue, expenses and assets are recognized net of the amount of respective VAT except:-

- where the value added tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables that are stated with the amount of value added tax included and payables that are stated with the amount of value added tax included.

The net amount of valued added tax recoverable or payable to the tax authority is included as part of the receivables or payables in the Statement of Financial Position.

s) Income Tax

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of Significant Accounting Policies (Continued)

Deferred Income Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

t) IFRS 15 - Revenue from Contracts with Customers

Revenue is derived from selling goods with revenue recognized at a point in time when possession of the goods has transferred to the customer. This is generally when the goods are delivered to the customer.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value added tax, returns, rebates and discounts.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the goods are delivered and title has passed.

Amendments to standards and annual improvements effective from 1 January 2018

A number of amendments to standards and annual improvements are effective for the first time for periods beginning on (or after) 1 January 2018. None of the amendments have a material effect on the company's annual financial statements.

t) IFRS 15 - Revenue from Contracts with Customers (Continued)

IAS 7: Amendment – Disclosure Initiative

These amendments are effective from 1 January 2018 and aim to improve information about an entity's debt, including movements in that debt.

Disclosures are required to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

New standards, amendments, annual improvements and interpretation that have been issued

Certain new standards, amendments, annual improvements and interpretation which are not yet mandatorily effective and have not been adopted early in these financial statements, will or may have an effect on the company's future financial statements. The company intends to adopt these standards, amendments, annual improvements and interpretation if applicable, when they become effective.

Amendment which is applicable to the entity is:

IAS 40: Amendment – Transfers of Investment Property

This amendment is effective from 1 January 2018 and clarifies that transfer of a property to, or from investment property is made when, and only when, there is a change in use. *Annual improvements and interpretation applicable to the entity are:*

Annual Improvements to IFRSs 2014 – 2016 Cycle (IFRS 1 and IAS 28) effective from 1 January 2018

IFRS 1 – A number of short term exemptions in IFRS 1 were deleted. The reliefs provided by these exemptions were no longer applicable.

IFRIC Interpretation 22: Foreign Currency Transactions and Advance Consideration

IFRIC interpretation 22 is effective from 1 January 2018 and addresses how to determine the date of transaction for the purpose of determining the spot exchange rate used to translate foreign currency transactions on initial recognition in circumstances when an entity pays or receives some or all of the foreign currency in advance of the recognition of the related asset, expense or income.

The company applied IFRS 15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. There was no quantitative impact of the changes in accounting policies from the adoption of IFRS 15.

Policy Applicable from 1 January 2018

The company recognizes revenue from selling goods or services to customers at an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. Revenue is recognized at an amount that reflects the consideration that the company is expected to be entitled to in exchange for transferring goods or services to a customer, using a five-step model for each revenue stream as prescribed in IFRS 15. The five-step model is as follows:

- Identification of the contract;
- Identification of separate performance obligations for each good or service;
- Determination of the transaction price;
- Allocation of the price to performance obligations; and
- Recognition of revenue. Revenue recognition with respect to the company's specific business activities are as follows:

Sales of Goods

The majority of the company's revenue is derived from selling goods with revenue recognized at a point in time when possession of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgment needed in identifying the point control passes, once physical delivery of the products to the agreed location has occurred, the company no longer has physical delivery of the products to the agreed location has occurred, the company no longer has physical possession, usually will have a present right to payment and retain none of the significant risks and rewards of the goods.

Sales revenue represent revenue earned from the sale of canned products and agro products and is stated net of returns, trade allowances and value added tax

t) IFRS 15 - Revenue from Contracts with Customers (Continued)

Rental Income

Rental income is recognized on straight line basis over the lease term.

Policy Applicable before 1 January 2018

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with goods/services and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts. For export sales risks and rewards are evaluated based on the shipping terms and conditions.

u) Employee Benefit

All employees who are Fiji Citizens belong to the Fiji National Provident Fund, an independent statutory administered fund. The Company has no liability for the current or past service pension. Annual leave is expensed at the time it is paid to the employee. Liabilities for annual leave are recognized and measured as the amount unpaid at the reporting date at current pay rates.

v) Impairment

The carrying amounts of the Company's assets, other than inventories and deferred tax, are reviewed at each statement of financial position date, to determine whether, there is an indication of impairment. If any such indication exists, the assets recoverable amounts are estimated. An impairment loss is recognized whenever the carrying amount of the assets or its cash generating amount exceeds its recoverable amount. All impairment losses are recognized in profit or loss.

w) Deferred Tax Assets

Deferred tax assets are recognized for all deductible temporary differences to the extent that profit will be available against which the deductible temporary difference can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely level of future taxable profits together with future planning strategies.

3. Other Operating Income	31 December 2018 \$FJ	31 December 2017 \$FJ
Rental Income	179,652	73,580
Grant Income	-	46,700
	179,652	120,280
	179,652	120,280
4. Cost of Sales	31 December 2018 \$FJ	31 December 2017 \$FJ
Opening Inventory	67,247	360,042
Purchases	1,516,652	1,319,773
Freight	85,392	88,326
Hire & Delivery	70,063	26,753
Packaging	55,449	37,826
	1,794,802	1,832,720
Less: Closing Inventory	(389,524)	(67,247)
	1,405,278	1,765,473
	1,405,278	1,765,473

FOOD PROCESSORS (FIJI) PTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. Administrative Expenses	31 December 2018 \$FJ	31 December 2017 \$FJ
Accounting Fees	6,500	7,925
Audit Fees	7,238	6,479
Bank Charges	1,234	3,286
	14,971	17,690
	14,971	17,690
6. Other Operating Expenses	31 December 2018 \$FJ	31 December 2017 \$FJ
Advertising and Promotion	7,052	1,628
Bad Debts Written Off	-	629,755
Cleaning Expense	18,367	11,814
Directors' Fees	27,500	-
FNU Levy	9,885	8,930
Fringe Benefit Tax	853	2,725
Insurance	59,867	49,624
IT Expenses	15,163	29,389
Legal Fees	11,076	5,919
Licensing & Subs	19,340	23,302
Motor Vehicle Expenses	7,522	57,698
Printing and Stationery	2,816	2,079
Professional Fees	19,092	26,736
Repairs and Maintenance	30,370	58,368
Security Expenses	-	1,216
Staff Amenities and Training	-	631
Staff Expenses	-	3,489
Superannuation	80,946	80,014
Telephone, Fax and Internet	11,849	20,983
Travel & Accommodations	606	-
Union Fees	2,334	2,382
Utilities	62,237	85,658
Wages & Salaries	391,844	467,332
	778,719	1,569,671
	778,719	1,569,671
7. Inventories	31 December 2018 \$FJ	31 December 2017 \$FJ
Finished Goods & WIP (Agro Food Products)	389,524	67,247
	389,524	67,247
8. Cash & Cash Equivalents	31 December 2018 \$FJ	31 December 2017 \$FJ
ANZ - 9859214	651,292	17
Petty Cash	32,589	32,589
Short Term Deposit	10,282	10,282
BSP - 8678217	42,241	18,588
	736,404	61,476
	736,404	61,476

FOOD PROCESSORS (FIJI) PTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. Reconciliation of Cash to the Statement of Cash Flow

- (i) Cash as at the end of the financial year as showing in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	31 December 2018 \$FJ	31 December 2017 \$FJ
ANZ - 10407593	(10,604)	(11,872)
ANZ - 9859214	651,292	17
BSP - 8678217	42,241	18,588
Petty Cash	32,589	32,589
Short Term Deposit	10,282	10,282
	725,800	49,604

9. Reconciliation of Cash to the Statement of Cash Flow (Continued)

- (ii) Reconciliation of Operating (Loss) after tax to cash provided by operating activities:-

	31 December 2018 \$FJ	31 December 2017 \$FJ
Net Operating Profit/(Loss) After Tax	1,505,630	(303,952)
Add Non Cash Items:-		
Depreciation	329,577	133,242
Revaluation of Investment Property	(880,000)	-
Change in fair value of investment properties	(1,000,000)	-
	(44,794)	(170,711)

Changes in Assets and Liabilities during the financial year:-

Decrease/(Increase) in Trade and Other Receivables	53,015	(129,669)
(Increase)/Decrease in Inventories	(322,277)	292,795
Increase in Trade and Other Payables	900,254	31,939
Increase in Current Tax Liabilities	66,609	28,931
(Increase) in Deferred Tax Asset	(66,609)	(28,931)
(Decrease)/Increase in Employee Entitlement	(217)	521
Increase in Deferred Income	92,000	-
Net Cash Provided by Operating Activities	677,981	24,875

10. Income Tax

- (i) Recognized in (Loss)

	31 December 2018 \$FJ	31 December 2017 \$FJ
Net Operating Profit/(Loss) before income tax	(374,370)	(303,952)
<i>Add:</i> Non- Deductible Expense:		
- Superannuation 50%	40,473	40,007
- Fringe Benefit Tax	853	2,725
Chargeable Income	(333,044)	(261,220)
Prima facie income tax expense calculated at 20% on the operating profit (2017: 20%)	(66,609)	(52,244)
Losses Forfeit	66,609	52,244
Income Tax Expense	-	-

The income tax benefit has not been brought to account due to the company having foreseeable future losses and there were no income tax expenses as there were consecutive losses from 2013.

FOOD PROCESSORS (FIJI) PTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. Income Tax (Continued)

(ii) Income Tax Payable	31 December 2018 \$FJ	31 December 2017 \$FJ
Balance at the beginning of the year	329,171	329,171
Current tax expense - current year	-	-
Movement in deferred tax asset	-	-
	<u>329,171</u>	<u>329,171</u>
(iii) Deferred Tax Liabilities	31 December 2018 \$FJ	31 December 2017 \$FJ
Deferred Tax Liability	<u>363,821</u>	<u>123,821</u>
(iv) Deferred Capital Gains Tax Liability	31 December 2016 \$FJ	31 December 2,017 \$FJ
Deferred Capital Gains Tax Liability (10% of Land)	<u>182,900</u>	<u>52,900</u>
11. Trade and Other Receivables	31 December 2018 \$FJ	31 December 2017 \$FJ
Current		
Trade Debtors	920,429	967,581
Less: Allowance for Doubtful Debts	(474,558)	(474,558)
	<u>445,871</u>	<u>493,023</u>
Staff and Other Advances	3,780	3,380
Prepayment	169,177	175,440
	<u>618,828</u>	<u>671,843</u>
12. Biological Assets	31 December 2018 \$FJ	31 December 2,017 \$FJ
Opening Balance	320,000	320,000
Net gain from fair value	-	-
	<u>320,000</u>	<u>320,000</u>

An independent valuation was carried out by Professional Valuation Limited on 7 March 2016 on Batiri Agriculture Citrus farm. The company occupies of 377 acres of land in production of Oranges which is mainly sold to Wholesalers and individual on road side stalls. The Citrus plant is valued at fair value of \$320,000. The biological assets of production of oranges has been accounted and measured at fair value less costs to sell.

FOOD PROCESSORS (FIJI) PTE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

13.(i) Property, Plant & Equipment	31 December 2018 \$FJ	31 December 2,017 \$FJ
Land & Building	2,080,671	2,080,671
Disposal	-	-
Revaluation	2,264,106	1,014,106
Less: Provision for Depreciation	(658,059)	(611,532)
	3,686,718	2,483,245
Plant & Equipment	898,122	898,122
Less: Provision for Depreciation	(888,208)	(605,852)
	9,914	292,270
Furniture, Fittings & Equipment	110,823	110,823
Less: Provision for Depreciation	(108,483)	(107,789)
	2,340	3,034
Motor Vehicle at Cost	(41,075)	(41,075)
Less: Provision for Depreciation	(57,489)	(57,489)
	(98,564)	(98,564)
Net Written Down Value	3,600,408	2,679,984

(ii) Reconciliations

Reconciliations of the carrying amounts of Property, Plant and Equipment by class at the beginning and end of the financial year.

	Land & Building	Plant & Equipment \$FJ	Furniture & Fittings \$FJ	Motor Vehicle \$FJ	Total FJ\$
Carrying amount at the beginning of the year	2,483,245	292,270	3,034	(98,564)	2,679,984
Addition/Disposal			-	-	-
Revaluation	1,250,000				1,250,000
Depreciation expense	(46,527)	(282,356)	(694)	-	(329,577)
					-
Net Written Down Value	3,686,718	9,914	2,340	(98,564)	3,600,408

FOOD PROCESSORS (FIJI) PTE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

13. Property, Plant & Equipment (Continued)

(iii) Revaluation Property Land and Building

	Land	Building	Total
Written Down Value at the beginning of the year	1,379,226	1,177,491	2,556,718
Gain on Revaluation	100,000	1,030,000	1,130,000
Carrying amount after revaluation	1,479,226	2,207,491	3,686,718
Capital Gains Tax (at the rate 10%) on Revaluation Gain	10,000	-	10,000
Income Tax (at the rate 20%) on Revaluation Gain	-	240,000	240,000
Net Gain on revaluation of Land & Building	90,000	790,000	880,000

The Directors engaged Professional Valuations Limited, an accredited independent value, to determine the fair value of the land and buildings. The Value assessment methodology adopted by the valuer for leasehold was Market approach. In assessing the current market value of the leasehold Land and Building, the economic and market conditions plus the comparable sales obtained from similar properties in the locality has been considered.

14. Investment Property

	Freehold Land	Buildings	Renovations	Total
Gross Carrying Amount	2,823,205	757,907	180,939	3,762,051
Additions	-	-	-	-
Change in fair value	-	1,000,000	-	1,000,000
Balance as at 31 December 2018	2,823,205	1,757,907	180,939	4,762,051

During prior years and until 31 December 2003, subsequent to initial recognition, investment properties were measured at its cost less any accumulated depreciation and accumulated impairment losses. Effective from 1 January 2013, investment properties are stated into the statement of financial position at fair values, less any subsequent impairment losses.

An independent valuation was carried out by registered valuer Professional Valuations Limited, in 3 September 2018 for investment properties of the company to assess the fair values of the properties. The directors and management work closely with the external valuer to establish the appropriate valuation techniques and inputs to the valuation model. The valuation methodologies adopted by the valuer were summation method.

The excess market value over book value of \$1,000,000 has been recorded as an increase in fair value to investment properties in the financial statements for the year ended 31 December 2018, based on management and directors assessment of fair values and taking into consideration the recent valuations to registered valuer Professional Valuations Limited, fair value gain on investment properties amounting \$1,000,000 has been recorded in statement of profit or loss and deferred tax liability of \$363,821 has been recorded in statement of financial position for the year ended 31 December 2018.

15. Trade and Other Payables

	31 December 2018 \$FJ	31 December 2017 \$FJ
(i) Current		
Trade Payables	1,087,780	960,175
(ii) Non Current		
Accruals	169,676	136,829
Refundable Deposits	656,137	1,521
VAT Payable	191,923	106,736
	1,017,735	245,086

FOOD PROCESSORS (FIJI) PTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

16. Employee Entitlement	31 December 2018 \$FJ	31 December 2017 \$FJ
Annual Leave	4,148	4,365
17. Deferred Income	31 December 2018 \$FJ	31 December 2017 \$FJ
Deferred Income (Ministry of Public Enterprise)	92,000	-
Less: accumulated amortisation	-	-
Total Deferred Income	92,000	-

The grant was received from Ministry of Public Enterprise for coconut cream plant upgrade, IT upgrade and infrastructure

18. Bank Overdraft

The Bank Overdraft from ANZ and Bank of South Pacific (BSP) are secured by the followings:

(i) ANZ Overdraft

- Registered first fixed and floating charge by FPFL over all company assets, including its undertakings and paid and unpaid
- First registered mortgage over crown lease number 12439 given by the company over lots 1,2,3 & 18 situated at CD 388 Naqere, Savusavu.
- First registered mortgage by Food Processors (Fiji) Limited over crown land No. 8246 and 8247 located at Batiri Seaqaqa, Macuata Labasa.
- First registered mortgage by Food Processors (Fiji) Limited over crown land no. CL 4995 located at 68-70 Millet road Vatuwaqa, Suva.

(ii) BSP Overdraft

- Registered fixed and floating charge by FPFL over all company assets, including its undertakings and paid and unpaid capital.
- Registered mortgage over crown lease number 12439 given by the company over lots 1,2,3 & 18 situated at CD 388 Naqere, Savusavu.
- Registered mortgage by Food Processors (Fiji) Limited over crown land No. 8246 and 8247 located at Batiri Seaqaqa, Macuata Labasa.
- Registered mortgage by Food Processors (Fiji) Limited over crown land no. CL 4995 located at 68-70 Millet road Vatuwaqa, Suva.

	31 December 2018 \$FJ	31 December 2017 \$FJ
ANZ - 10407593	10,604	11,872

19. Interest Bearing Borrowings

BSP - 80134382

The loan is from Bank of South Pacific to amalgamate existing debts and cover building insurance premiums and is secured by the same securities as stated in note 18(ii). Interest is charged at the rate of 6.5% per annum and the monthly repayment of \$13,000.

	31 December 2018 \$FJ	31 December 2017 \$FJ
Included in Current Liabilities	156,000	13,000
Included in Non Current Liabilities	2,312,758	2,457,543
	2,468,758	2,470,543

FOOD PROCESSORS (FIJI) PTE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

19. Interest Bearing Borrowings (Continued)

(ii). FDB 4611	31 December 2018 \$FJ	31 December 2017 \$FJ
Included in Current Liabilities	-	-
Included in Non Current Liabilities	45,742	45,742
	<u>45,742</u>	<u>45,742</u>

(iii). Credit Corp - Loan for EY	31 December 2018 \$FJ	31 December 2017 \$FJ
Included in Current Liabilities	-	-
Included in Non Current Liabilities	(70,127)	(70,127)
	<u>(70,127)</u>	<u>(70,127)</u>

20. Non Interest Bearing Borrowings	31 December 2018 \$FJ	31 December 2017 \$FJ
Government of Fiji - Loan	<u>1,900,000</u>	<u>1,900,000</u>

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 Enterprise (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	(1,000,000)
Net Loan	<u><u>940,000</u></u>

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 board decisions and recommended loan restructures recorded in the company's books of account as follows:

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

As part of loan restructure process, government loan amounting to \$1,000,000 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

FOOD PROCESSORS (FIJI) PTE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

21. Share Capital	31 December 2018 \$FJ	31 December 2017 \$FJ
Issued and Paid Up Capital		
687,679 Ordinary Shares fully paid	<u>687,679</u>	<u>687,679</u>

22. Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations. The level of debt is disclosed in [Note 18](#). (Interest bearing borrowings)

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's presentation currency).

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade Receivables

Customer credit risk is based on the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a individual credit limits defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. Goods are sold subject to retention of title clauses, so that in the event of non-payment the company may have a secured claim. The Company does not require collateral in respect of trade and other receivables.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying of value each class of financial assets disclosed in [Note 7](#).(Inventory)

23. Events Subsequent to Balance Date

The Novel Corona Virus

The novel coronavirus (COVID 19) outbreak developed during the financial year 2020 presents a significant challenge for Fiji and many countries including main trading partners of Fiji. The impact of COVID 19 outbreak on public life and the economy in Fiji and globally has an impact on the overall operations of the company including its liquidity and cash flows for 2020 financial year.

The companies export sales and local sales were mainly affected during the lockdown period in the months of March and April 2020.

24. Comparatives

The comparatives are the unaudited figures for the year ended 31 December 2017. The figures for the last year have been regrouped where considered necessary.

25. Capital Commitments

Capital commitments as at 31 December 2018 amounted to \$Nil (2017 : \$Nil).

26. Contingent Liabilities

Contingent commitments as at 31 December 2018 amounted to \$Nil (2017 : \$Nil)

FOOD PROCESSORS (FIJI) PTE LIMITED
 DETAILED STATEMENT OF PROFIT AND LOSS
 FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	31 December 2018 \$FJ	31 December 2017 \$FJ
Income			
Sales		2,200,761	3,246,273
Cost of Sales	4	1,405,278	1,765,473
Gross Profit		<u>795,483</u>	<u>1,480,800</u>
Other Income	3	179,652	120,280
Total Income		<u>975,135</u>	<u>1,601,081</u>
Expenses			
Accounting Fees		6,500	7,925
Advertising and Promotion		7,052	1,628
Audit Fees		7,238	6,479
Bank Charges		1,234	3,286
Bad Debts Written Off		-	629,755
Cleaning & Pest Control Expense		18,367	11,814
Directors' Fees		27,500	-
FNU Levy		9,885	8,930
Fringe Benefit Tax		853	2,725
Insurance		59,867	49,624
IT Expenses		15,163	29,389
Legal Fees		11,076	5,919
Licensing & Subs		19,340	23,302
Motor Vehicle Expenses		7,522	57,698
Printing and Stationery		2,816	2,079
Professional Fees		19,092	26,736
Repairs and Maintenance		30,370	58,368
Security Expenses		-	1,216
Staff Amenities and Training		-	631
Staff Expenses		-	3,489
Superannuation		80,946	80,014
Telephone, Fax and Internet		11,849	20,983
Travel & Accommodations		606	-
Union Fees		2,334	2,382
Utilities		62,237	85,658
Wages & Salaries		391,844	467,332
		<u>793,690</u>	<u>1,587,362</u>
Operating Profit Before Interest, Depreciation and Tax		<u>181,444</u>	<u>13,719</u>
Interest		226,238	184,430
Depreciation		329,577	133,242
Net Operating (Loss) before Tax		<u>(374,370)</u>	<u>(303,952)</u>

The Detailed Statement of Profit and Loss is to be read in conjunction with the Applicable Accounting Policies and Notes to the Financial Statements set out on pages 14 to 29.