FOOD PROCESSORS
Fiji

2019 ANNUAL REPORT

Parlimentary Paper No : 140/24

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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

The past financial year was a challenging one for Food Processors (Fiji) Limited, marked by several economic and operational hurdles. Despite these challenges, the company made significant strides towards restructuring and enhancing its operations. Factors such as rising costs of raw materials, delays in regulatory payments, and industry-specific constraints significantly impacted our performance. However, there is hope that our ongoing strategic adjustments and focus on sustainability will pave the way for improved financial health in the years to come.

2. Financial Overview

During the fiscal year, Food Processors incurred a net loss of $513,959, largely due to increased raw material costs and operational inefficiencies. Revenue growth was subdued, but factory operations exceeded budget expectations in certain months. Efforts to mitigate high costs through automation and strategic investments are expected to improve future profitability.

Cost Management: We have initiated several cost control measures, particularly in managing inventory and refining our supply chain. We are also reviewing our product pricing strategies to ensure profitability across all business segments.

Dividends: Due to the financial challenges faced during the year, the Board has decided to withhold dividend distribution until financial stability is restored.

3. Strategic Progress

Despite a difficult financial year, Food Processors (Fiji) Limited made meaningful progress toward its strategic goals. Significant developments included the commencement of repayment plans to the Fiji Investment Corporation LTD (FICL) and the approval of several property sales to enhance capital investment. Our long-term objective is to stabilize the company's financial position through a combination of debt repayment, operational improvements, and capital injections from asset sales.

We are also actively exploring partnerships and new market opportunities, with feasibility studies underway for the expansion of our Batiri Farm operations.

4. Operational Performance

Key highlights from the year include positive factory performance, with certain months exceeding budgeted production targets. However, sales were slightly below projections, with total sales for September to November reaching $2.39M, offset by a loss of $625K. A significant focus for the year was improving our production efficiency, with plans to invest in automation to boost productivity in the coming years.

The company also faced operational challenges, particularly in sourcing raw materials, due to supply chain disruptions. Efforts are ongoing to address these issues through new partnerships and enhanced supplier contracts.

5. Sustainability and Corporate Responsibility

Food Processors remains committed to promoting sustainable business practices. Over the past year, we took several steps to reduce our environmental footprint, including improving waste management processes and exploring renewable energy solutions for our operations. We also continued to support community initiatives, particularly in the agricultural sector, and are working on aligning our governance framework with the national development goals of Fiji.

6. Human Capital and Culture

The company made several key hires, including the appointment of Mr. Vinod Prasad as the General Manager, effective April 29, 2019. Mr. Prasad brings with him a wealth of experience that will be instrumental in driving the company's future growth.

Our commitment to employee development remains strong, and we continue to focus on improving employee engagement, diversity, and inclusion across all levels of the organization. Moving forward, wage increases will be tied to performance-based appraisals, aligning employee growth with the company's overall success.

7. Market Outlook and Future Plans

Looking ahead, the market remains challenging, with ongoing economic uncertainties. However, we are optimistic about the opportunities that lie ahead, particularly in expanding into new markets through trade shows and partnerships with supermarkets and restaurants.

Our immediate focus will be on addressing solvency concerns and clearing audit backlogs. We are also exploring high-margin product lines and a $250K investment in raw materials to ensure we are well-positioned for growth in the coming year.

8. Governance and Board Activities

The Board has been actively engaged in overseeing the company's strategic initiatives, with a particular focus on property sales, financial audits, and operational improvements. During the year, the Board approved the sale of several non-core assets and received updates on legal cases, including favorable judgments worth over $15,000.

The Board composition remains stable, and governance structures are continuously reviewed to ensure they align with best practices and regulatory requirements.

9. Conclusion

In conclusion, while this year has been financially challenging, Food Processors (Fiji) Limited is taking decisive steps to improve its financial health and operational efficiency. I extend my gratitude to our shareholders, employees, and stakeholders for their continued support and commitment during this transitional period. With our strategic plans in place and a renewed focus on cost control and revenue growth, I am confident that the company will overcome these challenges and achieve long-term success.

Thank you for your continued trust.

Sincerely,

[Raj Sharma] Chairman, Food Processors Fiji Limited

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

The Directors present their report together with the financial statements of Food Processors (Fiji) Pte Limited for the year ended 31 December 2019 and the accountant's compilation 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
2. Mr. Nacanieli Sautuca
3. Mr. Ilisoni Leweniqila
4. Ms. Anna Morris
5. Ms. Annabel Ducia
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 2019 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 2019 $FJ	31 December 2018 $FJ
Net (Loss) from Operation	(513,959)	(374,370)
Income Tax (Benefit)	-	-
Net (Loss) after Income Tax	**(513,959)**	**(374,370)**

Dividends

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

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 liquidly 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

Level 1, Modyl Plaza
Karsanji Street, Vatuwaqa
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 8921519
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Website: www.oag.gov.fj

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 2019, 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

Promoting Public Sector Accountability and Sustainability through our Audits

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Karsanji Street, Vatuwaqa
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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 2019, 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, Deferred Income, Property, Plant and Equipment, Current Tax Liability and Operating Income and Expenditure for the year ended 31 December 2018. 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 2019 financial statements.

Cash and Cash Equivalents

2. The Company recorded Cash and Cash Equivalents (Note 8) balance of $1,197,963 in the Statement of Financial Position as at 31 December 2019. While the Company was able to provide the bank audit certificate, there exists an unreconciled variance of $10,376.

   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 2019.

Basis for Disclaimer of Opinion (con't)

Trade and Other Receivables

3. The Company recorded Trade Receivables (Note 11) balance of $572,230 in the Statement of Financial Position as at 31 December 2019. While the Company was able to provide reconciliations, relevant supporting documents to verify the balances amounting to $572,230 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 $179,634.

   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 2019.

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 $506,721. I was unable to satisfy myself by alternative audit procedures concerning the inventory quantities held as at 31 December 2019. 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 2019.

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 $3,634,751 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 2019.

Trade and other Payables

6. The Company recorded Trade and Other Payables (Note 15) balance of $1,073,715 and $662,637 respectively in the Statement of Financial Position as at 31 December 2019. 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 2019.

Basis for Disclaimer of Opinion (con't)

Deferred Income

7. The Company recorded Deferred Income (Note 17) balance of $203,363 in the Statement of Financial Position as at 31 December 2019. 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 2019.

Lease Liability

8. The Company recorded Lease Liability (Note 21) balance of $165,718 in the Statement of Financial Position as at 31 December 2019. 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 2019.

Current Tax Liability

9. The Company recorded Current Tax Liability (Note 10(ii)) balance of $329,171 in the Statement of Financial Position as at 31 December 2019. 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 2019.

Operating Income and Expenditure

10. The Company recorded Sales Revenue of $2,848,527, Other Income of $453,076, Cost of Sales of $2,370,761, Total Expenses of $1,191,802, Finance Costs of $189,573 and Depreciation Expense of $63,425 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 2019.

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.

F. Seru

Finau Seru Nagera
AUDITOR-GENERAL

AUDITOR - GENERAL * FIJI *

Suva, Fiji
17 August 2024

FOOD PROCESSORS (FIJI) PTE LIMITED
STATEMENT BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019;

(b) the accompanying Statement of Changes in Equity for the year ended 31 December 2019 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 2019;

(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 2019;

(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, 2015.

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

FOOD PROCESSORS (FIJI) PTE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31 December 2019 $FJ	31 December 2018 $FJ
Revenue		2,848,527	2,200,761
Cost of Sales	4	2,370,761	1,405,278
Gross Profit		477,766	795,483
Other Income	3	453,076	179,652
Total Income		930,841	975,135
Administrative Expenses	5	26,221	14,971
Other Operating Expenses	6	1,165,581	778,719
Profit/(Loss) from Operations		(260,961)	181,444
Finance Costs		189,573	226,238
Depreciation Expense		63,425	329,577
Operating (Loss) Before Income Tax		(513,959)	(374,370)
Income Tax (benefit)/Expense	10 (i)	-	-
Net (Loss) after Income Tax		(513,959)	(374,370)
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		-	90,000
Revaluation Surplus on Building, net of tax		-	790,000
Total Comprehensive Income/(Loss) for the year		**(513,959)**	- **1,505,630**

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 32.

FOOD PROCESSORS (FIJI) PTE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share Capital $FJ	Asset Revaluation Reserves $FJ	Share Deposit $FJ	Retained Earnings $FJ	Total $FJ
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
Change in fair value of Investment Properties	-	-	-	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**
Total comprehensive income for the year					
Net (Loss) after tax for the year	-	-	-	(513,959)	(513,959)
Other comprehensive income for the year	-	-	-	-	-
Total Comprehensive Loss for the year	-	-	-	(513,959)	(513,959)
Balance as at 31 December 2019	**687,679**	**1,971,179**	**1,000,000**	**(1,178,133)**	**2,480,725**

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 32.

FOOD PROCESSORS (FIJI) PTE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	31 December 2019 $FJ	31 December 2018 $FJ
Current Asset			
Cash and Cash Equivalents	8	1,197,963	725,800
Inventories	7	506,721	389,524
Trade Receivables	11 (i)	572,230	618,828
Total Current Assets		2,276,914	1,734,151
Non Current Asset			
Property, Plant and Equipment	13	3,634,751	3,600,408
Investment Property	14	4,762,051	4,762,051
Biological Asset	12	320,000	320,000
Right-of-use Asset	21	162,275	-
Other Receivables	11 (ii)	243,683	
Total Non Current Assets		9,122,761	8,682,459
Total Assets		11,399,674	10,416,610
Current Liabilities			
Trade Payables	15 (i)	1,073,015	1,087,780
Current Tax Liabilities	10 (ii)	329,171	329,171
Interest Bearing Borrowings	19 (i - ii)	28,321	156,000
Bank Overdraft	18	29,064	10,604
Employee Entitlement	16	5,219	4,148
Deferred Tax Liability	10 (iii)	363,821	363,821
Deferred Capital Gains Tax Liability	10 (iv)	182,900	182,900
Lease Liability	21	5,173	-
Total Current Liabilities		2,016,684	2,134,425
Non Current Liabilities			
Interest Bearing Borrowings	19 (i - ii)	3,975,722	2,288,373
Non Interest Bearing Borrowings	20	1,900,000	1,900,000
Lease Liability	21	160,545	-
Deferred Income	17	203,363	92,000
Other Payables	15 (ii)	662,637	1,017,735
Total Liabilities		8,918,951	7,432,533
Net Assets		**2,480,725**	**2,984,080**
Shareholders Equity			
Share Capital	22	687,679	687,679
Share Deposit		1,000,000	1,000,000
Asset Revaluation Reserves		1,971,179	1,971,179
Accumulated Losses		(1,178,133)	(664,174)
Total Shareholders Equity		**2,480,725**	**2,994,684**

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 32.

FOOD PROCESSORS (FIJI) PTE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31 December 2019 $FJ	31 December 2018 $FJ
Cash Flows from Operating Activities			
Receipts from Customers		3,301,603	2,200,761
Payments to Suppliers and Employees		(4,509,978)	(1,296,542)
Interest Paid		(189,573)	(226,238)
Net Cash Provided by/(Used in) Operating Activities	9 (ii)	(1,018,802)	677,981
Cash Flows from Investing Activities			
(Acquisition) of Property, Plant & Equipment		(97,768)	-
Net Cash (Used in) Investing Activities		(97,768)	-
Cash Flows from Financing Activities			
Proceeds to Interest Bearing Borrowings		1,559,669	(1,785)
Net Cash Provided by/(Used in) Financing Activities		1,559,669	(1,785)
Net Increase in Cash and Cash Equivalents		443,099	676,196
Cash Balance at Beginning of the Year		725,800	49,604
Cash and Cash Equivalent at End of the Year	9 (i)	**1,168,899**	**725,800**

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 32.

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 judgements, 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 recognised 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 reported.

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 recognised in the statement of comprehensive income in the period in which they arise.

2. Summary of Significant Accounting Policies (Continued)

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 realised or intended to be sold or consumed in the normal operating C780;
- Held primarily for the purpose of trading;
- Expected to be realised 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

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 recognised in the profit and loss using the effective interest method.

Unrealised 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.

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.

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

2. Summary of Significant Accounting Policies (Continued)

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 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 assets. A corresponding liability is also established and each lease payment is allocated between the liability and

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.

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

Investment properties are derecognised 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 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 estimates 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 benefits 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.

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 recognised when there is a contractual obligation to deliver cash or other financial assets to another party.

A provision is recognised 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.

2. **Summary of Significant Accounting Policies (Continued)**

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

q) **Loans and borrowings**

Interest bearing borrowings are recognised initially at cost, less attributable transactions costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised 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 recognised 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 recognised 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 recognised directly in equity is recognised 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.

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 recognised for all taxable temporary differences, except:

Deferred income tax liabilities are recognised 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 recognised 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 utilised except:

2. **Summary of Significant Accounting Policies (Continued)**

s) **Income Tax (Continued)**

Deferred Income Tax

- 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 recognised 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 utilised.

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 utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised 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 from building construction for both commercial and residential are recognised when in the profit or loss at the point of sale when services are rendered.

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 recognises 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.

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:

2. Summary of Significant Accounting Policies (Continued)

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

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 recognises 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 recognised 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 recognised 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 if returns, trade allowances and value added tax.

Rental Income

Rental income is recognised 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.

2. **Summary of Significant Accounting Policies (Continued)**

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

Leases

The company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in Note 2(d).

Policy applicable from 1 January 2019

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for the period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

The contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

Policy applicable from 1 January 2019 (Continued)

The company has the right to obtain substantially all of the asset. The company has this right when it has the decision-making rights that are most relevant to changing how and for what for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the company has the right to direct the use of the asset if

- The company has the right to operate the asset; or
- The company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into , or changed, on or after 1 January 2018. At inception or on reassessment of a contract that contains a lease component , the company allocated the consideration in the contract to each lease component on the basis of their relative stand - alone prices.

Policy applicable as a lessee

The company recognises a right - of - use asset and a lease liability at lease commencement date. The right-of -use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in - substance fixed payment;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise, an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

2. **Summary of Significant Accounting Policies (Continued)**

Leases (Continued)

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position (refer note 13).

Short-term leases and leases of low value assets

The company has elected not to recognise right-of -use assets and lease liabilities for short-term leases that have a leases term of 12 months or less and leases of low-value assets. The company recognises that lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Assets held under other leases were classified as operating leases and were not recognised in the company and the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Policy applicable as a lessor

When the company acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To classify each lease, the company makes an overall assessment of whether the lease transfers substantially of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the company considers certain indicators such as whether the lease is for the lease is for the major part of the economic life of the asset.

When the company is an intermediate lessor, it accounts for its interests in the head and the sub-lease separately. It assesses the lease classification of a sub - lease with reference to the right-of -use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the company applies IFRS 15 to allocate the consideration in the

The company recognises lease payments received under operating leases as income on a straight-line basis over the term as part of 'other income'.

The accounting policies applicable to the company as a lessor in the comparative period were not different from IFRA 16. However, when the company was an intermediate lessor the sub-leases were classified with reference to the underlying assets.

Policy applicable before 1 January 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as Lessor

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

Company as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 recognised and measured as the amount unpaid at the reporting date at current pay rates.

2. Summary of Significant Accounting Policies (Continued)

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 recognised whenever the carrying amount of the assets or its cash generating amount exceeds its recoverable amount. All impairment losses are recognised in profit or loss.

w) Deferred Tax Assets

Deferred tax assets are recognised 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 recognised, based upon the likely level of future taxable profits together with future planning strategies.

3. Other Operating Income

	31 December 2019 $FJ	31 December 2018 $FJ
Rental Income	177,022	179,652
Amortisation of deferred Income	270,600	-
Sundry Income	5,453	-
	453,076	**179,652**

4. Cost of Sales

	31 December 2019 $FJ	31 December 2018 $FJ
Opening Inventory	389,524	67,247
Purchases	2,331,746	1,516,652
Freight	35,126	85,392
Hire & Delivery	56,819	70,063
Packaging	64,268	55,449
	2,877,482	1,794,802
Less: Closing Inventory	(506,721)	(389,524)
	2,370,761	**1,405,278**

5. Administrative Expenses

	31 December 2019 $FJ	31 December 2018 $FJ
Accounting Fees	22,816	6,500
Audit Fees	2,213	7,238
Bank Charges	1,192	1,234
	26,221	**14,971**

6. Other Operating Expenses

	31 December 2019 $FJ	31 December 2018 $FJ
Advertising and Promotion	8,819	7,052
Amortisation Expense	8,616	-
Cleaning Expense	18,986	18,367
Directors' Fees	12,006	27,500
Donation	200	-
FNU Levy	20,061	9,885
Fringe Benefit Tax	9,703	853
Insurance	63,417	59,867
IT Expenses	30,274	15,163
Legal Fees	17,631	11,076
Licencing & Subs	93,198	19,340
Motor Vehicle Expenses	8,858	7,522
Printing and Stationery	13,620	2,816
Professional Fees	9,149	19,092
Penalties	91,041	-
Repairs and Maintenance	46,538	30,370
Staff Expenses	2,108	-
Stamp Duty	34,145	-
Superannuation	91,628	80,946
Telephone, Fax and Internet	17,245	11,849
Travel & Accommodations	10,810	606
Union Fees	5,807	2,334
Utilities	61,058	62,237
Wages & Salaries	490,663	391,844
	1,165,581	**778,719**

7. Inventories

	31 December 2019 $FJ	31 December 2018 $FJ
Finished Goods & WIP (Agro Food Products)	**506,721**	**389,524**

8. Cash & Cash Equivalents

	31 December 2019 $FJ	31 December 2018 $FJ
ANZ - 9859214	560,251	651,292
ANZ - 10407593	540,331	(10,604)
Petty Cash	32,589	32,589
Short Term Deposit	64,792	10,282
BSP - 8678217	-	42,241
	1,197,963	**725,800**

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 2019 $FJ	31 December 2018 $FJ
ANZ - 10407593	540,331	(10,604)
ANZ - 9859214	560,251	651,292
BSP - 8678217	(29,064)	42,241
Petty Cash	32,589	32,589
Short Term Deposit	64,792	10,282
	1,168,899	**725,800**

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

(ii) Reconciliation of Operating Profit/(Loss) after tax to cash provided by operating activities:-	31 December 2019 $FJ	31 December 2018 $FJ
Net Operating Profit/(Loss) After Tax	(513,959)	1,505,630
Add Non Cash Items:-		
Depreciation	63,425	329,577
Revaluation of Investment Property	-	(880,000)
Change in fair value of investment properties	-	(1,000,000)
	(450,534)	**(44,794)**
Changes in Assets and Liabilities during the financial year:-		
(Increase)/Decrease in Trade and Other Receivables	(197,085)	53,015
(Increase) in Inventories	(117,197)	(322,277)
(Decrease)/Increase in Trade and Other Payables	(369,864)	900,254
Increase/(Decrease) in Employee Entitlement	1,071	(217)
Increase in Deferred Income	111,363	92,000
(Increase) in Right -of-use Asset	(162,275)	-
Increase in Lease Liability	165,718	-
Net Cash (Used in) Operating Activities	**(1,018,802)**	**677,981**

10. Income Tax

(I) Recognised in Profit/(Loss)	31 December 2019 $FJ	31 December 2018 $FJ
Net Operating Profit/(Loss) before income tax	(513,959)	(374,370)
Add: Non- Deductible Expense:		
- Superannuation 50%	45,814	40,473
- Donation	200	853
- Fringe Benefit Tax	9,703	-
- Penalties	91,041	-
- Stamp Duty	34,145	-
Chargeable Income	(333,056)	(333,044)
Prima facie income tax expense calculated at 20% on the operating (loss) (2018: 20%)	(66,611)	(66,609)
Losses Forfeit	66,611	66,609
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.

10. Income Tax (Continued)

(ii) Income Tax Payable

	31 December 2019 $FJ	31 December 2018 $FJ
Balance at the beginning of the year	329,171	329,171
Current tax expense - current year	-	-
Movement in deferred tax asset	-	-
Income Tax Payable	**329,171**	**329,171**

(iii) Deferred Tax Liabilities

	31 December 2019 $FJ	31 December 2018 $FJ
Difference in net carrying value of property, plant and equipment and investment properties for accounting and tax purpose at the rate of 20% on the fair value gain.	**363,821**	**363,821**

(iv) Deferred Capital Gains Tax Liability

	31 December 2019 $FJ	31 December 2,018 $FJ
Deferred tax liability comprises estimated tax at the future capital gains tax at the rate of 10% of following items:		
Deferred Capital Gains Tax Liability at the rate of 10% on Land	**182,900**	**182,900**

11. Trade and Other Receivables

(i) Current

	31 December 2019 $FJ	31 December 2,018 $FJ
Trade Debtors	1,046,788	920,429
Allowance for Trade Receivables	(474,558)	(474,558)
	572,230	**445,871**

(ii) Non Current

	31 December 2019 $FJ	31 December 2018 $FJ
VAT Receivable	57,219	-
Staff and Other Advances	6,830	3,780
Prepayment	179,634	169,177
	243,683	**172,957**

12. Biological Assets

	31 December 2019 $FJ	31 December 2,018 $FJ
Opening Balance	320,000	320,000
Net gain from fair value	-	-
	320,000	**320,000**

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.

13.(i) Property, Plant & Equipment

	31 December 2019 $FJ	31 December 2,018 $FJ
Land & Building	2,080,671	2,080,671
Revaluation	2,264,106	2,264,106
Addition	25,796	-
Less: Provision for Depreciation	(705,231)	(658,059)
	3,665,342	3,686,718
Plant & Equipment	898,122	898,122
Additions	10,504	-
Less: Provision for Depreciation	(897,741)	(888,208)
	10,885	9,914
Furniture, Fittings & Equipment	110,823	110,823
Less: Provision for Depreciation	(108,800)	(108,483)
	2,023	2,340
Motor Vehicle at Cost	(41,075)	(41,075)
Addition	61,468	
Less: Provision for Depreciation	(63,892)	(57,489)
	(43,499)	(98,564)
Net Written Down Value	**3,634,751**	**3,600,408**

(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 $FJ	Plant & Equipment $FJ	Furniture & Fittings $FJ	Motor Vehicle $FJ	Total FJ$
Carrying amount at the beginning of the year	3,686,718	9,914	2,340	(98,564)	3,600,408
Addition/(Disposal)	25,796	10,504	-	61,468	97,768
Depreciation expense	(47,172)	(9,533)	(317)	(6,403)	(63,425)
Net Written Down Value	**3,665,342**	**10,885**	**2,023**	**(43,500)**	**3,634,751**

13. Property, Plant & Equipment (Continued)

(iii) Revaluation Property Land and Building

	Land $FJ	Building $FJ	Total $FJ
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 $FJ	Buildings $FJ	Renovations $FJ	Total $FJ
Gross Carrying Amount	2,823,205	1,757,907	180,939	4,762,051
Additions	-	-	-	-
Change in fair value	-	-	-	-
Balance as at 31 December 2019	**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 he statement of financial position at fair values, less any subsequent impairment losses.

An independent valuation was carried out by registered valuer Professional Valuations Limited, on 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.

15. Trade and Other Payables

	31 December 2019 $FJ	31 December 2,018 $FJ
(i) Current		
Trade Payables	1,073,015	1,087,780
(ii) Non Current		
Accruals	6,500	169,676
Refundable Deposits	656,137	656,137
VAT Payable	-	191,923
	662,637	**1,017,735**

16. Employee Entitlement

	31 December 2019 $FJ	31 December 2,018 $FJ
Annual Leave	**5,219**	**4,148**

17. Deferred Income

	31 December 2019 $FJ	31 December 2018 $FJ
Deferred Income (Ministry of Public Enterprise)	473,963	92,000
Less: accumulated amortisation	(270,600)	-
Total Deferred Income	**203,363**	**92,000**

The grant was received from Ministry of Public Enterprise for coconut cream plant upgrade, IT upgrade, USFDA Certification, can seamer, steam boiler, back shed roof, infrastructure upgrade and agriculture procurement.

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 2019 $FJ	31 December 2018 $FJ
ANZ - 10407593	-	10,604
BSP - 8678217	29,064	-
	29,064	**10,604**

19. Interest Bearing Borrowings

(i) 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 2019 $FJ	31 December 2018 $FJ
Included in Current Liabilities	-	156,000
Included in Non Current Liabilities	-	2,312,758
	-	**2,468,758**

19. Interest Bearing Borrowings (Continued)

(ii) Fiji Investment Corporation Limited

This loan is with Fiji Investment Corporation Limited and is secured by the followings:

- First registered mortgage over the industrial property legally described as Lot 68-70, contained in state lease No. 4995, situated at Millet Road, Vatuwaqa, Suva and improvements thereon;
- First registered mortgage over the industrial vacant land legally described as Lots 1,2,3 and 18, contained in state lease No. 12439, situated at Tabucala Road, Savusavu Industrial Subdivision, Naqere, Savusavu;
- First registered mortgage over the industrial property legally described as Lot 3 on DP 1016 as contained in certificate of Title No. 40966, situated at Edinburgh Drive, Walu Bay, Suva; and
- First registered mortgage over the residential, industrial and agricultural property legal described as Lot 3 CD 389: state lease 8246, Lot 2 CD 389 state lease 8247 and Lot 1 CD 389: iTaukei lease 28883 respectively, situated at Vunivere Road, Batiri.

Interest rate is charged 3.00% per annum for a period of 24 months thereafter 5.00% for the remaining 156 months.

	31 December 2019 $FJ	31 December 2018 $FJ
Included in Current Liabilities	28,321	-
Included in Non Current Liabilities	4,000,107	-
	4,028,428	**-**

(iii). FDB 4611

	31 December 2019 $FJ	31 December 2018 $FJ
Included in Current Liabilities	-	-
Included in Non Current Liabilities	45,742	45,742
	45,742	**45,742**

(iv). Credit Corp - Loan for EY

	31 December 2019 $FJ	31 December 2018 $FJ
Included in Current Liabilities	-	-
Included in Non Current Liabilities	(70,127)	(70,127)
	(70,127)	**(70,127)**

20. Non Interest Bearing Borrowings

	31 December 2019 $FJ	31 December 2018 $FJ
Government of Fiji - Loan	**1,900,000**	**1,900,000**

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 re-structed as follows:

20. Non Interest Bearing Borrowings (Continued)

Original Loan	2,900,000
Less: Batiri Property/ asset to be transferred	(960,000)
Equity of Government	(1,000,000)
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 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	**1,900,000**

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 property.

21. Leases

Company as a Lessee

The company leases land. Information about leases for which the company is a lessee is presented below:

Right of use assets

Balance as at 1 January 2019	-
Additions	170,891
Amortisation Expense	(8,616)
Balance as at 31 December 2019	162,275

Lease Liabilities
Maturity analysis - contractual undiscounted Cash Flows

Less than one year	13,600
One to five years	68,000
More than five years	163,200
Total undiscounted lease liabilities as at 31 December 2019	244,800

Lease Liabilities included in the statement of financial position as at 31 December 2019

As at 1 January	170,891
Accretion of Interest	8,427
Payments	(13,600)
Total as at 31 December	165,718
Current	5,173
Non - current	160,545
Total Lease Liabilities	165,718

21. Leases (Continued)

Amounts recognised in profit and loss

Amortisation expense of right-of-use assets	8,616
Interest expense on lease liabilities	8,427
Total amount recognised in profit or loss	17,043

22. Share Capital

	31 December 2019 $FJ	31 December 2018 $FJ
Issued and Paid Up Capital		
687,679 Ordinary Shares fully paid	687,679	687,679

23. 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

(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 15. (Trade & Other Payables)

(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)

24. 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 liquidly 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.

25. Comparatives

The comparatives are the unaudited figures for the year ended 31 December 2018. The figures for the last year have been regrouped where considered necessary.

26. Capital Commitments

Capital commitments as at 31 December 2019 amounted to $Nil (2018 : $Nil).

27. Contingent Liabilities

Contingent commitments as at 31 December 2019 amounted to $Nil (2018 : $Nil)

FOOD PROCESSORS (FIJI) PTE LIMITED
DETAILED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31 December 2019 $FJ	31 December 2018 $FJ
Income			
Sales		2,848,527	2,200,761
Cost of Sales	4	2,370,761	1,405,278
Gross Profit		477,766	795,483
Other Income	3	453,076	179,652
Total Income		930,841	975,135
Expenses			
Accounting Fees		22,816	6,500
Advertising and Promotion		8,819	7,052
Amortisation Expense		8,616	-
Audit Fees		2,213	7,238
Bank Charges		1,192	1,234
Cleaning & Pest Control Expense		18,986	18,367
Directors' Fees		12,006	27,500
Donation		200	-
FNU Levy		20,061	9,885
Fringe Benefit Tax		9,703	853
Insurance		63,417	59,867
IT Expenses		30,274	15,163
Legal Fees		17,631	11,076
Licencing & Subs		93,198	19,340
Motor Vehicle Expenses		8,858	7,522
Printing and Stationery		13,620	2,816
Professional Fees		9,149	19,092
Penalties		91,041	-
Repairs and Maintenance		46,538	30,370
Staff Expenses		2,108	-
Stamp Duty		34,145	-
Superannuation		91,628	80,946
Telephone, Fax and Internet		17,245	11,849
Travel & Accommodations		10,810	606
Union Fees		5,807	2,334
Utilities		61,058	62,237
Wages & Salaries		490,663	391,844
		1,191,802	793,690
Operating Profit/(Loss) Before Interest, Depreciation and Tax		(260,961)	181,444
Interest		189,573	226,238
Depreciation		63,425	329,577
Net Operating (Loss) before Tax		**(513,959)**	**(374,370)**

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 32.