CONSOLIDATED FINANCIAL STATEMENTS OF PARADISE BEVERAGES (FIJI) LIMITED AND ITS SUBSIDIARY COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2018

CONTENTS

Paradise Beverages (Fiji) Limited and its subsidiary company

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors of Paradise Beverages (Fiji) Limited ("the Company"), the directors herewith submit the statements of financial position of the Company and its subsidiary (together as "the Group") as at 31 December 2018, and the related statements of comprehensive income, changes in equity and cash flows for the year ended on that date and report as follows:

DIRECTORS
The following were directors of the holding company at any time during the financial year and up to the date of this report:

George Forster
Shane Richardson
Alex Nario
Cecil Browne
Gardiner Whiteside and
Elizabeth McNamara (appointed on 3 May 2018)

PRINCIPAL ACTIVITIES
The principal activities of the group are the manufacture and sale of beer, ready-to-drink alcoholic beverages and soft-drinks, as well as the distillation and sale of potable and industrial alcohol.

TRADING RESULTS
The profit after income tax of the group for the year ended 31 December 2018 was $12,213,310 as compared to $14,738,022 the year ended 31 December 2017.

DIVIDENDS
A final dividend of $0.40 per share, totalling $4,163,250, was declared and paid during the year (31 December 2017: final dividend of $3,122,438).

RESERVES
The directors recommend that no transfer be made to or from reserves except for movements required under International Financial Reporting Standards.

BAD AND DOUBTFUL DEBTS
Prior to the completion of the group's financial statements, the directors took reasonable steps to ascertain that action had been taken in relation to writing off bad debts and the provision for doubtful debts. In the opinion of directors, adequate provision has been made for doubtful debts.

As 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 the provision for doubtful debts in the group, inadequate to any substantial extent.

NON-CURRENT ASSETS
Prior to the completion of the financial statements of the group, the directors took reasonable steps to ascertain whether any non-current assets were unlikely to be realised in the ordinary course of business for recoverable amounts being less than their carrying value as shown in the accounting records of the group. Where necessary these assets have been written down or adequate provision has been made to bring the carrying values of such assets to an amount that they might be expected to realise.

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

UNUSUAL TRANSACTIONS
The results of the group'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
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

OTHER CIRCUMSTANCES
As at the date of this report:

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

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

DIRECTORS' REPORT (CONTINUED)

BASIS OF ACCOUNTING

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

DIRECTORS' BENEFITS

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

DIRECTORS' INTERESTS

Particulars of directors' interests in the ordinary shares of the holding company during the year are as follows:

	Direct Interest	Indirect Interest
Cecil Browne	500	Nil
Gardiner Whiteside	500	Nil

AUDITOR'S INDEPENDENCE

The directors have obtained an independence declaration from the group's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Directors of Paradise Beverages (Fiji) Limited on page 31.

GROUP CONTRIBUTION

Contributions to group profit after income tax are as follows:

	2018	2017
	$	$
Paradise Beverages (Fiji) Limited	15,830,668	14,082,090
Samoa Breweries Limited (subsidiary)	(3,617,358)	655,932
	12,213,310	**14,738,022**

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

Dated this 28th day of March 2019.

George Forster
Director

Gardiner Whiteside
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Paradise Beverages (Fiji) Limited and its subsidiary
for the year ended 31 December

	Note	2018	2017
		$	$
Revenue	2.1	105,884,744	98,227,418
Cost of sales		(70,982,181)	(61,786,737)
Gross profit		**34,902,563**	**36,440,681**
Other operating revenue	2.2	939,182	1,055,049
Selling and distribution expenses	3.1	(13,560,009)	(12,901,618)
Administrative expenses	3.2	(9,345,199)	(7,891,983)
Profit from operations		**12,936,537**	**16,702,129**
Finance costs	3.3	(287,422)	(150,059)
Profit before income tax		**12,649,115**	**16,552,070**
Income tax expense	10a	(435,805)	(1,814,048)
Profit for the year		**12,213,310**	**14,738,022**
Other comprehensive income:			
Exchange gains/(losses) on translation of foreign operations		138,511	(198,416)
Other comprehensive income for the year		**138,511**	**(198,416)**
Total comprehensive income for the year		**12,351,821**	**14,539,606**
Profit attributable to:			
Equity holders of Paradise Beverages (Fiji) Limited		12,435,778	14,697,684
Non-controlling interests		(222,468)	40,338
Total profit for the year		**12,213,310**	**14,738,022**
Total comprehensive income attributable to:			
Equity holders of Paradise Beverages (Fiji) Limited		12,565,212	14,512,268
Non-controlling interests		(213,391)	27,338
Total comprehensive income for the year		**12,351,821**	**14,539,606**
Earnings per share			
Basic earnings per share	5	1.17	1.42

Notes appearing on pages 7 to 29 to be read as part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Paradise Beverages (Fiji) Limited and its subsidiary
for the year ended 31 December

	Note	2018	2017
Retained earnings		**$**	**$**
Balance at the beginning of the year		115,100,458	103,525,212
Operating profit after tax		12,435,778	14,697,684
Dividends paid	4	(4,163,250)	(3,122,438)
Balance at the end of the year	12	**123,372,986**	**115,100,458**
Foreign currency translation reserve			
Balance at the beginning of the year		6,010,097	6,208,513
Exchange gains/(losses) on translation of foreign operations		138,511	(198,416)
Balance at the end of the year		**6,148,608**	**6,010,097**
General reserve			
Balance at the beginning and end of the year		75,000	75,000
Balance at the end of the year		**75,000**	**75,000**
Share-based payments reserve			
Balance at the beginning of the year		180,939	113,006
Employee share-based payment vested		(24,782)	–
Employee share-based payment expense		21,144	67,933
Balance at the end of the year		**177,301**	**180,939**
Share capital			
Balance at the beginning of the year		6,734,250	6,734,250
Balance at the end of the year	12a	**6,734,250**	**6,734,250**
Non-controlling interests			
Balance at the beginning of the year		1,839,097	1,811,759
Operating (loss)/profit after tax		(222,468)	40,338
Other comprehensive profit/(loss)		9,077	(13,000)
Balance at the end of the year	12	**1,625,706**	**1,839,097**
Total equity		**138,133,851**	**129,939,841**

Notes appearing on pages 7 to 29 to be read as part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Paradise Beverages (Fiji) Limited and its subsidiary
as at 31 December

	Note	2018	2017
Current assets	**$**	**$**	**$**
Cash and cash equivalents	13	4,605,192	2,345,145
Trade and other receivables	6a	27,987,799	24,320,039
Inventories	6b	34,328,127	33,845,687
Current tax assets	10b	827,271	608,107
Prepayments		610,753	1,033,876
Total current assets		**68,359,142**	**62,152,854**
Non-current assets			
Property, plant and equipment	7	84,864,007	87,076,583
Intangible assets	8	9,026,352	9,181,692
Total non-current assets		**93,890,359**	**96,258,275**
Total assets		**162,249,501**	**158,411,129**
Current liabilities			
Trade and other payables	6c	12,671,934	16,625,854
Interest-bearing liabilities	13a	3,051,686	2,674,241
Employee benefits provisions	11a	2,494,424	2,465,478
Current tax liabilities	10b	280,658	197,329
Total current liabilities		**18,498,702**	**21,962,902**
Non-current liabilities			
Employee benefits provisions	11a	1,667,152	1,390,536
Deferred tax liabilities	10b	3,949,796	5,117,850
Total non-current liabilities		**5,616,948**	**6,508,386**
Total liabilities		**24,115,650**	**28,471,288**
Net assets		**138,133,851**	**129,939,841**
Equity			
Share capital	12a	6,734,250	6,734,250
Reserves	12	6,400,909	6,266,036
Retained earnings	12	123,372,986	115,100,458
Equity attributable to members of Paradise Beverages (Fiji) Limited		**136,508,145**	**128,100,744**
Non-controlling interests	12	1,625,706	1,839,097
Total equity		**138,133,851**	**129,939,841**

Notes appearing on pages 7 to 29 to be read as part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Paradise Beverages (Fiji) Limited and its subsidiary
for the year ended 31 December

	Note	2018	2017
		$	**$**
Inflows/(outflows)			
Operating cash flows			
Receipts from customers		220,990,509	196,336,366
Payment to government - excise duty & VAT/VAGST		(115,156,926)	(101,942,218)
Payments to suppliers and employees		(89,771,331)	(77,030,244)
Interest paid		(287,422)	(150,059)
Income taxes paid		(1,751,840)	(1,322,062)
Net operating cash flows		**14,022,990**	**15,891,783**
Investing cash flows			
Payments for additions of property, plant and equipment		(7,991,868)	(12,572,198)
Proceeds from disposal of property, plant and equipment		-	11,009
Net investing cash flows		**(7,991,868)**	**(12,561,189)**
Financing cash flows			
Dividends paid to equity holders of Paradise Beverages (Fiji) Limited	4	(4,163,250)	(3,122,438)
Net financing cash flows		**(4,163,250)**	**(3,122,438)**
Net increase in cash and cash equivalents		1,867,872	208,156
Cash and cash equivalents held at the beginning of the year		(329,096)	(542,280)
Effects of exchange rate changes on cash and cash equivalents		14,730	5,028
Cash and cash equivalents held at the end of the year	13	**1,553,506**	**(329,096)**

Notes appearing on pages 7 to 29 to be read as part of the financial statements.

OVERVIEW

CORPORATE INFORMATION

Paradise Beverages (Fiji) Limited (referred to as PBFL or Company) is a for profit company limited by shares that is incorporated and domiciled in Fiji, whose shares are publicly traded on the South Pacific Stock Exchange. The registered office of PBFL is located at 122-164 Foster Road, Walu Bay, Suva, Fiji. PBFL's ultimate parent entity is Coca-Cola Amatil Limited, a for profit company limited by shares that is incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. The nature of operations and principal activities of PBFL and its subsidiary together (referred to as Group) are described in Note 1 Segment Reporting. This financial report was authorised for issue in accordance with a resolution of the PBFL Board of Directors on 28 March, 2019.

BASIS OF PREPARATION

This general purpose financial report:

- has been prepared in accordance with the International Financial Reporting Standards, other authoritative pronouncements of the International Accounting Standards Board (IASB) and the Fiji Companies Act 2015;
- has been prepared on the basis of historical cost, except for certain financial assets and liabilities which have been measured at fair value (Note 15);
- complies with International Financial Reporting Standards as issued by the IASB;
- is presented in Fiji Dollars;
- presents all values as rounded to the nearest dollar, unless otherwise stated;
- adopts all new and amended International Accounting Standards and Interpretations issued by the IASB that are relevant to the Group and effective for reporting periods beginning on or after 1 January 2018, all of which did not have a material impact on the financial statements; and
- does not early adopt any International Accounting Standards and Interpretations that have been issued or amended but are not yet effective, refer below.

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

<u>New and amended standards and interpretations</u>
The following standards, amendments and interpretations to existing standards were published and are mandatory for the annual periods beginning on or after 1 January 2018 or later periods:

There were no significant changes to the group's accounting policies during the financial year.

IFRS 9 *Financial Instruments*
IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. The Group has adopted the new standard on the required effective date of 1 January 2018 and will not restate comparative information. The introduction of this standard did not have any material impact on the Group's financial statements, accordingly there are no retrospective adjustments. The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. Refer to note 6a for further details.

IFRS 15 *Revenue from Contracts with Customers*
IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. IFRS 15 is effective for annual periods beginning on or after 1 January 2018.

The Group has adopted this standard from 1 January 2018. The introduction of this standard did not have any material impact on the Group's financial statements, accordingly there are no retrospective adjustments.

Additional disclosures of the Group's unchanged revenue accounting policies as required by the standard are included in Note 2.

The Group is in the business of manufacturing and sale of beer, ready-to-drink alcoholic beverages and soft-drinks, as well as the distillation and sale of potable and industrial alcohol. The services are sold both on their own in separate identified contracts with customers and together as a bundled package of goods.

IFRS 16 *Leases* - applies 1 January 2019
The Group has not early adopted any new standards, amendments to standards and interpretations. The expected impacts on the Group of significant new and revised accounting standards, which are not yet effective, are summarised below.

Broadly, this standard will require recognition of a right of use asset and lease liability based on the discounted value of committed lease payments. These payments, currently expensed within EBIT, will be replaced by the straight-line depreciation of the right of use asset and will reduce the lease liability. As the lease liability will be carried at present value, an interest expense will arise over the duration of the lease term. The principal component of lease payments will be reclassified in the statement of cash flows from operating to financing activities. Our implementation project team has completed loading lease agreements to a new lease accounting system, determined the impact to the Group's opening balance sheet and 2019 income statement and setup policies and processes to manage the new ongoing accounting requirements. Internal discussions with our treasury and tax teams have indicated no significant concerns in relation to this standard with respect to the Group's funding, tax and dividend obligations.

OVERVIEW (CONTINUED)

Transition
The Group will initially apply the new standard using the modified retrospective approach, which requires no restatement of comparative information. Further, in relation to the opening balance of right of use assets, the Group has chosen to apply the following approach as is permitted by the standard; to be equal to the opening lease liability.

Adjustments are also required for any prepayment or accrued lease payments recognised in the financial position prior to adoption. Estimated impact from adoption of the standard The Group has carried out a preliminary assessment of the impact of the standard on the 2019 financial statements. Based on the work performed, the estimated impact is as follows:

Financial statements item – approximate impacts

Balance sheet – as at 1 January 2019	$
Right of use asset	750,000
Lease liability	(750,000)
Income statement – year ending 31 December 2019	**nil**

This impact predominantly relates to the Group's leasing of land and building assets in Fiji.

USE OF ESTIMATES

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The key estimates and assumptions that are material to the financial statements relate to the following areas:

- Estimation of useful lives of property, plant and equipment and intangible assets, refer to Note 7;
- Impairment testing, refer to Note 9; and
- Income tax and deferred tax, refer to Note 10.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

The consolidated financial statements of the Group comprise those of the parent entity, Paradise Beverages (Fiji) Limited, and its subsidiary. The Group controls an entity when it has power over the entity, is exposed to, and has the rights to, variable returns from its involvement with that entity and it has the ability to affect those returns.

In preparing the consolidated financial statements, the effects of all intra-group transactions, balances and unrealised gains and losses on transactions between entity in the Group have been eliminated. The financial statements of subsidiaries have been prepared for the same reporting period as that of the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Non-controlling interests (NCIs)

The Group measures NCIs at their proportionate share of the subsidiary's identifiable net assets, profit for the year and movements in reserves.

FOREIGN CURRENCY TRANSLATION

The functional and presentation currency of Paradise Beverages (Fiji) Limited is Fiji Dollars. Each entity in the Group determines its own functional currency, reflecting the currency of the primary economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Exchange rate gains or losses arising from the application of these procedures are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

The assets and liabilities of the subsidiary, Samoa Breweries Limited are translated by applying the rate ruling at balance date and revenue and expense items are translated at the average rate calculated for the period. Transactions in equity are translated by applying the rate ruling on the date of the transaction with no subsequent revaluation. All differences arising from translation of the financial statements of foreign subsidiaries at these various exchange rates, are recognised within the foreign currency translation reserve and presented in other comprehensive income

The rate used to translate the assets and liabilities of the subsidiary, Samoa Breweries Limited was 1.2162:1 (2017: 1.2229:1) while the average rate used to translate revenue and expense accounts was 1.2220:1 (2017: 1.2156:1).

I RESULTS FOR THE YEAR

1 SEGMENT REPORTING

The group operates predominantly in the manufacture and sale of beer, ready-to-drink alcoholic beverages and soft-drinks, as well as the distillation and sale of potable and industrial alcohol. The holding company operates in Suva, Fiji while its subsidiary operates in Vaitele, Samoa.

(a) Geographical segments

The following tables present revenue and profit information and certain asset and liability information regarding geographical segments for the year ended 31 December 2018 and year ended 31 December 2017.

	Samoa	Fiji	Inter-segment eliminations	Total
	$	$	$	$
As at 31 December 2018				
Revenue				
Segment revenue	**22,668,909**	**83,287,109**	**(71,274)**	**105,884,744**
Results				
(Loss)/Profit from operating activities	(4,672,869)	17,606,144	3,262	**12,936,537**
Finance costs	(287,264)	(158)	–	**(287,422)**
(Loss)/Profit before income tax	**(4,960,133)**	**17,605,986**	**3,262**	**12,649,115**
Income tax credit/(expense)	1,342,777	(1,780,341)	1,761	**(435,805)**
Net (loss)/profit	**(3,617,356)**	**15,825,645**	**5,023**	**12,213,310**
Assets and liabilities				
Segment assets	38,736,002	142,070,631	(18,557,131)	**162,249,502**
Total assets	**38,736,002**	**142,070,631**	**(18,557,131)**	**162,249,502**
Segment liabilities	12,301,755	13,139,552	(1,325,657)	**24,115,650**
Total liabilities	**12,301,755**	**13,139,552**	**(1,325,657)**	**24,115,650**
Other segment information				
Capital expenditure:				
- Tangible fixed assets	681,517	7,310,351	–	7,991,868
Amortisation of intangible assets	–	(155,340)	–	(155,340)
Depreciation	(4,713,958)	(5,103,625)	–	(9,817,583)
Doubtful and bad debts	(93,123)	(120,000)	–	(213,123)

I RESULTS FOR THE YEAR (CONTINUED)

1 SEGMENT REPORTING (CONTINUED)

(a) Geographical segments *(continued)*

	Samoa	Fiji	Inter-segment eliminations	Total
	$	$	$	$
As at 31 December 2017				
Revenue				
Segment revenue	**25,659,088**	**72,742,849**	**(174,519)**	**98,227,418**
Results				
Profit from operating activities	1,042,959	15,666,965	(7,795)	**16,702,129**
Finance costs	(145,062)	(4,997)	–	**(150,059)**
Profit before income tax	**897,897**	**15,661,968**	**(7,795)**	**16,552,070**
Income tax (expense)	(241,965)	(1,573,135)	1,052	**(1,814,048)**
Net profit	**655,932**	**14,088,833**	**(6,743)**	**14,738,022**
Assets and liabilities				
Segment assets	45,622,317	130,838,425	(18,049,613)	**158,411,129**
Total assets	**45,622,317**	**130,838,425**	**(18,049,613)**	**158,411,129**
Segment liabilities	15,718,301	13,566,102	(813,115)	**28,471,288**
Total liabilities	**15,718,301**	**13,566,102**	**(813,115)**	**28,471,288**
Other segment information				
Capital expenditure:				
- Tangible fixed assets	2,768,902	8,201,883	–	10,970,785
Amortisation of intangible assets	–	(207,823)	–	(207,823)
Depreciation	(3,997,080)	(4,725,372)	–	(8,722,452)
Doubtful and bad debts	(46,252)	(116,920)	–	(163,172)

(b) Secondary reporting - Business segments

	Net external operating revenue	
	2018	**2017**
	$	$
Beer	63,616,290	67,494,156
Spirits	8,990,408	7,270,036
Soft drinks	9,871,276	9,675,462
Other	23,406,770	13,787,764
Group total	**105,884,744**	**98,227,418**

I RESULTS FOR THE YEAR (CONTINUED)

2 REVENUE

	Net external operating revenue	
	2018	2017
	$	$
2.1 Revenue		
Sale of products	204,455,633	188,973,919
Excise and other duties and taxes	(98,570,889)	(90,746,501)
	105,884,744	**98,227,418**
2.2 Other operating revenue		
Foreign exchange gain	517,396	267,251
Gain on disposal of property, plant and equipment	–	7,386
Insurance claim (Cyclone 2016)	–	318,348
Other revenue	421,786	462,064
Total other operating revenue	**939,182**	**1,055,049**
Total revenue	**106,823,926**	**99,282,467**

RECOGNITION AND MEASUREMENT

Revenue
Following are the revenue accounting policies that apply to Paradise Beverages in accordance with IFRS 15.

Sale of products
The Group sells a range of beverage products to wholesale and retail customers. A sale is recognised when control of the product has transferred, being when the product has been delivered to or collected by the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the product has been shipped to the location specified by the customer and the customer accepts the product.

Revenue from sales is recognised based on the arrangement agreed between the customer and the companies of the Group. The arrangements in place do not commit customers to purchasing a specified quantity or type of product nor commit the companies of the Group to deliver the same but set out the terms and conditions that apply between the parties at the time an order is placed by a customer and accepted by a company of the Group. The terms and conditions cover, as appropriate to the customer, pricing, settlement of liabilities, return policies, provision and servicing of equipment and any other negotiated performance obligations.

No element of financing is present in the pricing arrangement. Settlement terms range from cash-on-delivery to credit terms ranging from 7 to 60+ days. Terms reflect negotiations with customers, policies, procedures and controls held by each business unit as it relates to customer credit risk.

For customers who purchase on credit, a receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Financing components
The Group does not have any contracts where the period between the transfer of the promised product or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

Other operating revenue

Foreign exchange gain
Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at balance date.

I RESULTS FOR THE YEAR (CONTINUED)

3 EXPENSES

	2018	2017
	$	$
3.1 Selling and distribution expenses		
Advertising and promotion	4,136,310	3,785,069
Employee related costs	3,252,910	3,661,417
Sales, marketing and distribution	6,170,789	5,455,132
Total selling and distribution expenses	**13,560,009**	**12,901,618**
3.2 Administrative expenses		
Auditor's remuneration – audit fees	84,668	91,069
Auditor's remuneration – other accounting services	18,431	13,975
Depreciation and amortisation	451,115	646,105
Directors' fees	27,138	16,000
Doubtful debts	213,123	163,172
Employee related costs	4,282,744	3,602,913
Insurance	602,330	539,441
Management fees	240,318	188,083
Unrealised foreign exchange loss	25,956	58,767
Other operating expenses	3,399,376	2,572,458
Total administrative expenses	**9,345,199**	**7,891,983**
3.3 Finance costs		
Interest on bank overdrafts	287,422	150,059
Total finance costs	**287,422**	**150,059**

RECOGNITION AND MEASUREMENT

Employee related costs
Employee related costs include wages and salaries, annual leave, sick leave, incentives, compensated absences and other benefits, which are charged against profit in their respective expense categories when services are provided by or benefits vest with the employee. The Group's contributions made to defined contribution superannuation plans are recognised as an expense when they fall due.

For accounting policies on the provision for employee benefits and share based payments, refer to Notes 11a and 12b respectively.

Finance costs
Finance costs mainly comprise of interest costs on interest bearing liabilities.

Interest costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets.

I RESULTS FOR THE YEAR (CONTINUED)

4 DIVIDENDS

	2018	2017
	$	$
Declared and paid in period:		
Final dividend paid at 40¢ per share (2017: final dividend of 30¢ per share)	4,163,250	3,122,438

5 EARNINGS PER SHARE

	2018	2017
Operating profit after income tax ($)	12,213,310	14,738,022
Weighted average number of shares on issue	10,408,125	10,408,125
Basic earnings per share (cents)	1.17	1.42

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of shares outstanding during the period.

There are no convertible redeemable preference shares for the group. There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

II ASSETS AND LIABILITIES – OPERATING AND INVESTING

The Group manages its overall financial position by segregating its balance sheet into two categories: Assets and Liabilities – Operating and Investing; and Capital – Financing.

Details of Assets and Liabilities – Operating and Investing are as follows:

	Note	2018	2017
		$	$
Working capital	6	49,643,992	41,539,872
Property, plant and equipment	7	84,864,007	87,076,583
Intangible assets	8	9,026,352	9,181,692
Current and deferred liabilities	10b	(3,403,183)	(4,707,072)
Other liabilities	11	(3,550,823)	(2,822,138)
Capital - Financing	Sec III	**136,580,345**	**130,268,937**

6 WORKING CAPITAL

	Note	2018	2017
		$	$
Trade and other receivables	6a	27,987,799	24,320,039
Inventories	6b	34,328,127	33,845,687
Trade and other payables	6c	(12,671,934)	(16,625,854)
		49,643,992	**41,539,872**

6a TRADE AND OTHER RECEIVABLES

	2018	2017
	$	$
Trade receivables	23,773,107	23,253,877
Provision for impaired receivables	(824,555)	(609,270)
	22,948,552	**22,644,607**
Other Receivables:		
Related parties	814,257	851,710
Other	4,224,990	823,722
	27,987,799	**24,320,039**
Movements in the provision for impaired receivables		
Balance at beginning of the year	(609,270)	(784,965)
(Increase)/Decrease in provisions	(213,123)	171,366
Translation differences	(2,162)	4,329
Balance at end of the year	**(824,555)**	**(609,270)**
Trade receivables past due but not impaired		
At balance dates, the ageing analysis of trade receivables is as follows:		
Current	11,425,915	13,658,253
0-30 days	1,702,448	7,454,533
30-60 days	6,426,941	688,077
60+ days	3,393,248	843,744
	22,948,552	**22,644,607**

II ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

6a TRADE AND OTHER RECEIVABLES (CONTINUED)

RECOGNITION AND MEASUREMENT

Trade and other receivables are recognised at face value of amounts due less an allowance for doubtful receivables. Doubtful receivables are determined using an expected credit loss approach whereby trade and other receivables that share the same or similar credit risk characteristics and debt ageing are grouped and then assessed for collectability as a whole.

Refer to Note 14b) ii) on credit risk of trade and other receivables. For details of related party receivables included in trade and other receivables, refer to Note 16.

Trade receivables are non-interest bearing and are generally on the following terms:

Beer and Ready-to-Drink alcoholic beverages	7 – 14 days
Domestic Spirits	21 days
Export Spirits	30 – 60 days
Soft Drinks	30 days

6b INVENTORIES

	2018	2017
	$	$
Raw materials and engineering stores	20,323,682	20,750,024
Work in progress	10,196,621	10,716,456
Finished goods	4,790,801	3,064,448
	35,311,104	34,530,928
Provision for impaired inventories	(982,977)	(685,241)
	34,328,127	**33,845,687**
Movements in the provision for impairment of inventories were as follows:		
Balance at beginning of the year	(685,241)	(1,079,402)
Charge for the period	(1,052,358)	(806,794)
Utilised	759,039	1,197,236
Translation differences	(4,417)	3,719
Balance at end of the year	**(982,977)**	**(685,241)**

RECOGNITION AND MEASUREMENT

Inventories are stated at the lower of cost (including fixed and variable factory overheads where applicable) and net realisable value. Cost is determined on the basis of first-in-first-out, average or standard, whichever is the most appropriate in each case. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. Provision for stock obsolescence is assessed and raised on a specific basis based on a review of inventories. Inventories considered obsolete or un-serviceable are written off in the period in which they are identified.

6c TRADE AND OTHER PAYABLES

	2018	2017
	$	$
Trade payables	3,723,640	4,613,933
Related parties:		
- Coca-Cola Amatil (Fiji) Pte Ltd-parent entity	685,606	598,404
- Other related parties	1,396,960	1,536,225
Dividends payable	523,072	548,393
Accruals and other creditors	6,342,656	9,328,899
	12,671,934	**16,625,854**

II ASSETS AND LIABILITIES – OPERATING AND INVESTING (continued)

6c TRADE AND OTHER PAYABLES (CONTINUED)

RECOGNITION AND MEASUREMENT
Trade and other payables are carried at amount due. Liabilities are brought to account for amounts payable in relation to goods received and services rendered, whether or not billed at the reporting date. Accrued charges represent accrual for marketing rebates, promotional allowances and amounts due for supplies and services received but not invoiced at the reporting date.

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 30-60 days terms.
- Other payables are non-interest bearing and have an average term of six months.

For details of related party payables included in trade and other payables, refer to Note 16.

7 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings and improvements	Plant, furniture and motor vehicles	Property, plant and equipment under construction	Total
	$	$	$	$	$
31 December 2018					
Cost	3,207,082	20,675,803	133,163,249	14,848,692	171,894,826
Accumulated depreciation and impairment	–	(8,489,664)	(78,541,155)	–	(87,030,819)
	3,207,082	**12,186,139**	**54,622,094**	**14,848,692**	**84,864,007**
Movement:					
At 1 January 2018	3,196,644	12,254,775	55,398,225	16,226,939	87,076,583
Additions[1]	–	–	–	7,991,868	7,991,868
Disposals	–	(42,142)	(49,029)	–	(91,171)
Depreciation expense	–	(565,400)	(9,252,183)	–	(9,817,583)
Reclassification/transfers	–	515,964	8,457,032	(6,813,691)	2,159,305
Other movements[2]	–	–	–	(2,562,593)	(2,562,593)
Net foreign currency and other movements	10,438	22,942	68,049	6,169	107,598
At 31 December 2018	**3,207,082**	**12,186,139**	**54,622,094**	**14,848,692**	**84,864,007**
31 December 2017					
Cost	3,196,644	20,242,770	127,303,898	16,226,939	166,970,251
Accumulated depreciation and impairment	–	(7,987,995)	(71,905,673)	–	(79,893,668)
	3,196,644	**12,254,775**	**55,398,225**	**16,226,939**	**87,076,583**
Movement:					
At 1 January 2017	3,210,097	12,824,982	49,993,399	16,236,216	82,264,694
Additions[1]	–	–	–	10,970,785	10,970,785
Disposals	–	–	(3,623)	–	(3,623)
Depreciation expense	–	(548,172)	(8,174,280)	–	(8,722,452)
Reclassification/transfers	–	9,203	13,698,185	(10,982,240)	2,725,148
Net foreign currency and other movements	(13,453)	(31,238)	(115,456)	2,178	(157,969)
At 31 December 2017	**3,196,644**	**12,254,775**	**55,398,225**	**16,226,939**	**87,076,583**
1 January 2017					
Cost	3,210,097	20,286,327	114,963,202	16,236,216	154,695,842
Accumulated depreciation and impairment	–	(7,461,345)	(64,969,803)	–	(72,431,148)
	3,210,097	**12,824,982**	**49,993,399**	**16,236,216**	**82,264,694**

1. Includes costs related to Microsoft Dynamics AX Enterprise Resource Planning implementation project hardware and software. Software portion will be capitalised to Intangible Assets on project completion.
2. Relates to WDV of assets destroyed in Administration office building fire being claimed against insurance.

II ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECOGNITION AND MEASUREMENT
Property, plant and equipment assets are stated at cost less accumulated depreciation and impairment except for those assets revalued in prior periods. The exemption permitted under IFRS 1 has been adopted for previously revalued assets whose balances are now deemed to be their cost. Costs include expenditure that is directly attributable to acquisition of the items. Subsequent expenditure is capitalised when it is probable that future economic benefits associated with the expenditure will flow to the Group.

	Rate per annum	Method
Premium on leasehold land	Various	Over period of lease
Buildings	1.17% - 20%	- Straight line
Plant and equipment	2.5% - 100%	- Straight line and diminishing value
Vehicles	8% - 33%	- Straight line
Furniture and fittings	1.25% - 25%	- Straight line and diminishing value

An item of property, plant and equipment is derecognised upon disposal of an asset. Any gain or loss arising on derecognition of an asset (calculated by comparing proceeds with the carrying amount) is included in the income statement in that financial year.

Property, plant and equipment assets, are tested for impairment when there is any indication of impairment and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of carrying value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses are recognised in the statement of comprehensive income.

Impairment of property, plant and equipment and intangible assets
The group assesses whether there are any indicators of impairment of all property, plant and equipment and intangible assets at each reporting date. Property, plant and equipment and intangible assets are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable provision for impairment is created. For the year ended 31 December 2018, no additional provision for impairment has been made as the group reasonably believes that no indicators for impairment exist.

KEY ESTIMATES
Useful lives of assets are estimated based on historical experience. In addition, the condition of assets is assessed annually and considered against the remaining useful life. Adjustments to useful life are made when deemed necessary.

II ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

8 INTANGIBLE ASSETS

	Indefinite lives		Definite lives		
	Brand names and trademarks	**Goodwill**	**Brand names and trademarks**	**Software development and other assets**	**Total**
	$	$	$	$	$
31 December 2018					
Cost	520,000	1,554,908	7,766,976	–	9,841,884
Accumulated amortisation and impairment	–	–	(815,532)	–	(815,532)
	520,000	**1,554,908**	**6,951,444**	–	**9,026,352**
Movement:					
At 1 January 2018	520,000	1,554,908	7,106,784	–	9,181,692
Amortisation expense	–	–	(155,340)	–	(155,340)
At 31 December 2018	**520,000**	**1,554,908**	**6,951,444**	**–**	**9,026,352**
31 December 2017					
Cost	520,000	1,554,908	7,766,976	393,633	10,235,517
Accumulated amortisation and impairment	–	–	(660,192)	(393,633)	(1,053,825)
	520,000	**1,554,908**	**7,106,784**	–	**9,181,692**
Movement:					
At 1 January 2017	520,000	1,554,908	7,262,122	52,485	9,389,515
Amortisation expense	–	–	(155,338)	(52,485)	(207,823)
At 31 December 2017	**520,000**	**1,554,908**	**7,106,784**	**–**	**9,181,692**
1 January 2017					
Cost	520,000	1,554,908	7,766,976	393,633	10,235,517
Accumulated amortisation and impairment	–	–	(504,854)	(341,148)	(846,002)
	520,000	**1,554,908**	**7,262,122**	**52,485**	**9,389,515**

RECOGNITION AND MEASUREMENT

Indefinite lives
Indefinite life intangible assets, except for goodwill, acquired through business acquisition transactions are recognised initially at fair value at the date of acquisition which is subsequently deemed to be cost.

Goodwill
Goodwill is the excess of the cost of a business acquisition over the fair value of net assets acquired. Goodwill is not amortised but is tested annually for impairment.

Brand names and trademarks
Indefinite lived brand names and trademarks comprise of spirits brand names acquired from the merger with South Pacific Distilleries Limited. In assessing the useful life of brand names, consideration is given to the existing longevity, the indefinite life cycle of the industry in which PBFL operates and the expected usage of the brand names in the future.

In light of these considerations, no factor could be identified that would result in the brand names having a finite useful life and accordingly, spirits brand names have been assessed as having an indefinite useful life, which requires annual impairment testing.

II ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

8 INTANGIBLE ASSETS (CONTINUED)

Definite lives
Definite life intangible assets are accounted for at cost. Assets acquired in a business acquisition, are recognised initially at fair value at the date of acquisition which is subsequently deemed to be cost. Following initial recognition, intangible assets are amortised on a straight-line basis over their useful lives and tested for impairment when there is any indication of impairment. Useful life details for these assets are as follows:

Brand names and trademarks	50 years
Software development and other assets	3 to 10 years

Any gain or loss arising on derecognition of an asset (calculated by comparing the proceeds with the carrying amount) is included in the income statement in that financial year.

9 IMPAIRMENT TESTING

RECOGNITION AND MEASUREMENT
At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. Where an indicator of impairment exists or where annual impairment testing for an asset is required, the Group makes a formal estimate of the recoverable amount. An impairment loss will be recognised in the income statement for the amount by which the carrying amount of an asset exceeds the recoverable amount, which is defined as the greater of an asset's fair value less costs to sell, or value in use. Non-financial assets, other than goodwill, that suffered an impairment in prior periods are reviewed for possible reversal of the impairment at each reporting date.

A summary of intangible assets deemed to have indefinite lives is presented below:

	2018	2017
	$	$
Goodwill	1,554,908	1,554,908
Brand names	520,000	520,000
	2,074,908	**2,074,908**

IMPAIRMENT TESTING

Annual impairment testing is carried out at the cash generating unit (CGU) level, by comparison of the CGU's recoverable amount to its carrying amount. The value in use for the purpose of recoverable amount calculations was determined by discounting the forecasted future cash flows to be generated from the continuing use of the CGUs and using the terminal growth rates of nil to 2% (2017: nil to 2%).

Key estimates
Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

II ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

10 INCOME TAX

10a INCOME TAX EXPENSE

	2018	2017
	$	$
Accounting profit before income tax	12,649,115	16,552,070
Prima facie tax thereon at the Fiji rate of 10%	1,264,912	1,655,207
Tax rates differential on overseas income	(843,223)	152,646
Non-deductible expenses	104,728	97,733
Over provision from prior period	(90,612)	(91,538)
Income tax attributable to operating profit	**435,805**	**1,814,048**
Consolidated income statement		
Current income tax:		
Current income tax charge	1,690,798	1,527,932
Adjustments in respect of prior period	(66,926)	(118,485)
Deferred income tax:		
Origination and reversal of temporary differences	(1,164,381)	377,654
Adjustment in respect of prior period	(23,686)	26,947
Income tax expense	**435,805**	**1,814,048**

10b CURRENT AND DEFERRED TAX ASSETS/(LIABILITIES)

	2018	2017
	$	$
Current tax assets	827,271	608,107
Current tax liabilities	(280,658)	(197,329)
Deferred tax liabilities	(3,949,796)	(5,117,850)
	(3,403,183)	**(4,707,072)**
Deferred income tax liabilities recognised in the balance sheet relate to the following:		
Provision for doubtful debts	146,658	108,931
Provision for employee entitlements	441,050	432,252
Provision for stock obsolescence	210,041	160,631
Tax losses	878,854	–
Accelerated depreciation	(4,300,000)	(4,396,118)
Unrealised exchange gain	4,591	(173)
Amortised value used bottles	(1,335,198)	(1,425,821)
Unrealised profit in stock	4,208	2,448
Net deferred tax liability	**(3,949,796)**	**(5,117,850)**

RECOGNITION AND MEASUREMENT

Current tax

Current tax asset or liability represents amounts receivable or payable in relation to income taxes attributable to taxable profits of the current or prior financial years, less instalments of income tax paid. The tax rates and laws used to compute current taxes are those that are enacted or substantially enacted as at the reporting date.

II ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

10b CURRENT AND DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax

Deferred tax balances arise when there are temporary differences between accounting carrying amounts and the tax bases of assets and liabilities, other than for the following:

- where the difference arises from the initial recognition of an asset or liability in a transaction that is not an acquisition of a business and affects neither the accounting profit nor taxable profit or loss; and
- where temporary differences relate to investments in subsidiaries to the extent the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.
Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Key estimates
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the group companies.

Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

Significant management judgment is required to determine the amount of deferred income tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

11 OTHER ASSETS/(LIABILITIES)

	Note	2018	2017
		$	$
Prepayments		610,753	1,033,876
Employee benefits provisions – current and non-current	11a	(4,161,576)	(3,856,014)
		(3,550,823)	**(2,822,138)**

II ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

11a EMPLOYEE BENEFITS PROVISIONS

	2018	2017
	$	$
Current	2,494,424	2,465,478
Non-current	1,667,152	1,390,536
	4,161,576	**3,856,014**

RECOGNITION AND MEASUREMENT

Employee benefits

Employee benefits provisions include liabilities for benefits accumulated as a result of employees rendering services up to balance date, including related on-costs, in relation to annual, long service and other leave, incentives and termination and other benefits. These benefits are charged to the income statement when services are provided and to the extent the benefits are expected to vest with employees.

Employee benefits provisions are measured at remuneration rates expected to be applicable to future payments which settle these liabilities, and are discounted back to the reporting date using market yields on corporate bonds with maturities aligned to the estimated timing of settlement payments.

III CAPITAL – FINANCING

The Group's capital - financing comprises equity, cash and interest bearing liabilities.

	Note	2018	2017
		$	$
Equity	12	138,133,851	129,939,841
Net debt	13	(1,553,506)	329,096
		136,580,345	**130,268,937**

12 EQUITY

	Note	2018	2017
		$	$
Share capital	12a	6,734,250	6,734,250
Reserves		6,400,909	6,266,036
Retained earnings		123,372,986	115,100,458
Non-controlling interests		1,625,706	1,839,097
		138,133,851	**129,939,841**

12a SHARE CAPITAL

As at the end of the financial year, the number of fully paid ordinary shares for 2018 and 2017 was 10,408,125. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company, in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote. Ordinary shares have no par value.

	2018	2017
	$	$
Issued and paid up capital		
10,408,125 ordinary shares	2,081,625	2,081,625
Historic transfer from Share Premium Reserve	4,652,625	4,652,625
	6,734,250	**6,734,250**

The group's capital comprises ordinary shares only and these carry the same rights, preferences and restrictions. Under the provisions of the sec 194 and sec 735 of the Fiji Companies Act 2015, the authorised capital concept has been abolished. In addition, under the provisions of the sec 196 (a) and sec 737 of the Fiji Companies Act 2015, the share premium reserve has been reclassified as part of the Company's existing total issued share capital.

III CAPITAL – FINANCING (CONTINUED)

12b RESERVES

NATURE AND PURPOSE OF RESERVES

Foreign currency translation reserve

Foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Share-based payments reserve

The share-based payments reserve is used to record obligations to provide share rights in Coca-Cola Amatil Limited to senior executives of the group, which may vest with those executives, subject to certain performance criteria being met, in accordance with the Coca-Cola Amatil Limited's Long Term Incentive Share Rights Plan. Vesting rights under this plan have no impact on the ownership of Paradise Beverages (Fiji) Limited.

General reserve

The general reserve is a legacy revenue reserve set aside from retained earnings.

13 NET DEBT

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December 2018 and 31 December 2017:

	Note	2018	2017
		$	$
Cash at bank and short-term deposits		4,601,232	2,334,132
Cash on hand		3,960	11,013
Cash and cash equivalents		4,605,192	2,345,145
Less: Interest bearing liabilities - Bank overdraft	13a	(3,051,686)	(2,674,241)
Net debt		**1,553,506**	**(329,096)**

RECOGNITION AND MEASUREMENT

Cash assets comprise of cash on hand, cash at banks and short term deposits with a maturity of one year or less that are repayable to the Group on demand and are subject to an insignificant risk of changes in value.

Cash at banks does not earn interest.

13a INTEREST BEARING LIABILITIES

Country	Current	Maturity	Effective interest rate%	2018	2017
				$	$
Samoa	Bank o/d	On demand	8.50%	3,051,686	2,674,241
				3,051,686	**2,674,241**

Particulars relating to interest-bearing liabilities:

The bank overdraft is secured by:

(i) Letter of comfort given by parent company, Coca-Cola Amatil (Fiji) Pte Limited;
(ii) Registered mortgage over freehold land at Vaitele, Samoa; and
(ii) Registered mortgage over company assets.

RECOGNITION AND MEASUREMENT

Interest bearing liabilities are initially recognised at fair value at settlement date and subsequently at amortised cost using the effective interest method, net of associated transaction costs.

IV RISK MANAGEMENT

14 FINANCIAL RISK MANAGEMENT

The Group's financial assets and liabilities originate from and are used for the following purposes:

Operating and investing activities
These activities generate financial assets and liabilities including cash, trade and other receivables, and trade and other payables.

Financing activities
Financial assets and liabilities are used to invest funds where surplus amounts arise and to raise finance for the Group's operations. The principal types of financial assets and liabilities used include cash, term deposits, bonds, bank loans and bank overdrafts.

Risk management
Financial assets and liabilities, are used to manage financial risks that arise from the abovementioned activities. The main risk arising from the group's financial statements are foreign currency risk, interest rate risk, credit risk, and liquidity risk.

These risks are summarised as, and described further, in the following sections to this note:
a) details of market risks relating to:
   i) foreign currencies;
   ii) interest rates; and
   iii) operational risks.
b) details of other financial risks relating to:
   i) credit; and
   ii) liquidity.

a) Market risks

i) Foreign currency risk
The group has transactional currency exposures. Such exposures arise from purchases by the group in currency other than Fijian dollars. The majority of purchases are made in Australian dollars (AUD), American dollars (USD), New Zealand dollars (NZD), and the Euro (EUR). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The group manages foreign currency risk by entering into forward exchange rates contracts with banks for 30 days periods. All overseas creditors are paid within 30 days.

ii) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's overdraft facilities. As at 31 December 2018, the interest rate is 8.50% per annum for the subsidiary and 3.50% for the holding company.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date:

	Increase/ (decrease) in basis points	Effect on profit before tax $
31 December 2018	+100	2,543
	-100	(2,543)
31 December 2017	+100	2,228
	-100	(2,228)

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

IV RISK MANAGEMENT (CONTINUED)

14 FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Other financial risks

i) Credit risk
It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the group.

ii) Cash and cash equivalents and deposits
The counterparties relating to the group's cash and cash equivalents and deposits are significant financial institutions. Management does not believe there is a significant risk of non-performance by these counterparties.

iii) Trade and other receivables
It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. As part of its risk control procedures, an assessment of the credit quality of a new customer, taking into account its financial position, past experience and other factors is carried out prior to management approval. Individual credit risk limits are then set based on the assessments done. The utilisation of credit limits is regularly monitored.

iv) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash to meet present obligations. Management monitors rolling forecasts of the group's liquidity reserve, comprising of cash and cash equivalents (note 13) on the basis of expected cash flow.

The table below summarises the maturity profile of the group's financial liabilities at 31 December 2018 and year ended 31 December 2017 based on contractual undiscounted payments.

	2018	2017
	$	$
Trade and other payables		
- Less than 3 months	12,671,934	16,625,854

c) Capital management
The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated statement of financial position plus net debt.

During the year, the group's strategy, which was unchanged from 2017, was to maintain a minimum gearing ratio. The gearing ratio at 31 December 2018 was (1.1)% (31 December 2017: 0.3%).

	2018	2017
	$	$
Interest bearing liabilities	3,051,686	2,674,241
Less: cash and short term deposits	(4,605,192)	(2,345,145)
Net debt	(1,553,506)	329,096
Equity	138,133,851	129,939,841
Total capital	138,133,851	129,939,841
Capital and net debt	**136,580,345**	**130,268,937**
	%	%
Gearing ratio	**(1.1)**	**0.3**

15 FAIR VALUE

The Group applies historical cost accounting except for cash, trade & other receivables and payables where the carrying value approximates the fair value due to their short-term nature.

V OTHER INFORMATION

16 RELATED PARTIES

a) Directors' fee and emoluments

Amount paid for directors' fees and emoluments are disclosed in Note 3.2.

b) Controlling entity

The group's immediate parent is Coca-Cola Amatil (Fiji) Pte Limited ('CCAFPL'). At balance date, CCAFPL held 9,325,000 (2017: 9,325,000) ordinary shares in Paradise Beverages (Fiji) Limited, representing 89.59% (2017: 89.59%) of the issued share capital. The group's ultimate parent is Coca-Cola Amatil Limited.

c) Ownership interest in related parties

PBFL owns 93.85% of the issued capital of its subsidiary company, Samoa Breweries Limited.

d) Related party transactions

All transactions with related parties are made on commercial terms and conditions. The material transactions during the period were:

	2018	2017
	$	$
Parent company – Coca-Cola Amatil (Fiji) Pte Ltd		
- Sales	(17,208)	(21,555)
- Purchases	604,805	1,265,865
- Expense recharges (net)	188,713	154,037
- Capital recharges (net)	794,058	–
	1,570,368	1,398,347
Coca-Cola Amatil (Aust) Pty Ltd		
- Sales	(2,369,362)	(1,185,176)
- Expense recharges (net)	12,549	37,696
- Capital recharges (net)	267,304	–
	(2,089,509)	(1,147,480)
Ultimate parent company – CCA		
- Expenses recharges (net)	1,043,265	641,121
- Management fees	243,519	165,472
- Capital recharges (net)	27,575	–
	1,314,359	806,593
Coca-Cola Amatil (NZ) Ltd		
- Purchases	259,269	368,655
- Expense recharges (net)	1,635	22,009
- Capital recharges (net)	712,485	–
	973,389	390,664
Pacific Refreshments Ltd		
- Purchases	1,114,266	1,222,588
The Coca-Cola Company		
- Rebate recharges	(44,166)	(62,015)

e) Related (payables)/receivables

	2018	2017
	$	$
Coca-Cola Amatil (Fiji) Pte Limited	(685,606)	(598,404)
Pacific Refreshments Pty Limited	(672,295)	(898,752)
Coca-Cola Amatil (NZ) Limited	(156,814)	(249,162)
Coca-Cola Amatil Limited	(567,851)	(388,310)
	(2,082,566)	(2,134,628)
Coca-Cola Amatil (Aust) Pty Ltd	808,535	761,170
The Coca-Cola Company	5,721	90,541
	814,256	851,711
Net (payables)	**(1,268,310)**	**(1,282,917)**

V OTHER INFORMATION (CONTINUED)

16 RELATED PARTIES (CONTINUED)

f) Key management personnel

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

During the period the executives identified as key management personnel, with the greatest authority and responsibility for planning, directing and controlling the activities of the holding company included the General Manager-Pacific, General Manager Operations, Chief Engineer, Chief Financial Officer, General Manager Marketing & New Product Development, General Manager of Sales & Corporate Affairs, Master Distiller and Blender, Production/Operations Managers in Suva and Lautoka, Commercial Manager, Manager Financial Operations, Manager Information Technology-Pacific and General Manager People, Culture & Sustainability.

	2018	2017
	$	$
Compensation to key management personnel of the Group:		
- Short term benefits	3,106,476	2,715,281
- Share-based payments	54,116	67,933

There are no other benefits available for key management personnel.

17 PARADISE BEVERAGES (FIJI) LIMITED DISCLOSURES

	2018	2017
	$	$
a) FINANCIAL POSITION		
Current assets	53,996,625	42,162,040
Non-current assets	88,074,006	88,676,384
Total assets	**142,070,631**	**130,838,424**
Current liabilities	10,803,575	11,664,192
Non-current liabilities	2,335,977	1,901,910
Total liabilities	**13,139,552**	**13,566,102**
Net assets	**128,931,079**	**117,272,322**
Equity		
Share capital	6,734,250	6,734,250
Reserves	252,301	255,939
Retained earnings	121,944,528	110,282,133
Total equity	**128,931,079**	**117,272,322**

b) FINANCIAL PERFORMANCE		
Profit for the year	15,825,645	14,088,834
Total comprehensive income for the year	15,825,645	14,088,834

V OTHER INFORMATION (CONTINUED)

18 COMMITMENTS AND CONTINGENT LIABILITIES

		2018	2017
		$	$
(a)	Capital expenditure commitments	–	2,370,495

Current period commitments relate to planned capital projects to be utilised in the next financial year.

Total commitments for future operating lease rentals, which have not been provided for in the accounts are as follows:

		2018	2017
		$	$
(b)	Operating Lease Commitments		
-	Within one year	310,707	95,416
-	After one year but not more than five years	739,047	101,500
-	After five years	899,942	930,042
		1,949,696	1,126,958

In 2017, motor vehicle and office equipment leases were held with ANZ Banking (Samoa) Corporation for terms of up to 60 months with monthly repayments ranging from $1,951 to $3,657.

Details of commitments relating to leasehold land held by the holding company are as follows:
- The holding company has various lease agreements with the Director of Lands and Housing Authority of Fiji. The terms of these leases range from 88 to 99 years with annual payments ranging from $1,975 to $10,000.

		2018	2017
		$	$
(c)	Non-performance guarantees given by the bank	594,158	594,158

At balance date:
- the holding company was involved in a court case initiated by a former employee. The directors believe that the holding company will successfully defend the claim.
- the subsidiary received a claim from one if its distributors. The directors do not expect any material impacts on the Group results.

19 COMPANY DETAILS

a) Company incorporation
The legal form of the holding company is a public company, domiciled and incorporated in the Republic of Fiji under the Fiji Companies Act, 2015. The holding company is listed on the South Pacific Stock Exchange, Suva.

b) Registered office/Company operation
The holding company's operations and registered office are located at 122-164 Foster Road, Walu Bay, Suva while the subsidiary is in Samoa.

c) Number of employees
As at balance date, the holding company employed a total of 281 employees (Group: 461 employees).

20 SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial periods.

DIRECTORS' DECLARATION

This Directors' Declaration is required by the Companies Act, 2015.

The Directors of the company have made a resolution that declared:

(a) in the Directors' opinion, the financial statements and notes of the Group for the financial year ended 31 December 2018:

  i. give a true and fair view of the financial position of the company and the Group as at 31 December 2018 and of the performance of the company and the Group for the year ended 31 December 2018;

  ii. have been made out in accordance with the Companies Act 2015.

(b) They have received declarations as required by Section 395 of the Companies Act 2015;

(c) At the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

George Forster
Chairman

28th March 2019
Suva, Fiji

Building a better
working world

Pacific House
Level 7
1 Butt Street Suva Fiji
PO Box 1359 Suva Fiji

Tel: +679 331 4166
Fax: +679 330 0612
ey.com

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF PARADISE BEVERAGES (FIJI) LIMITED

As lead auditor for the audit of Paradise Beverages (Fiji) Limited and its subsidiary for the financial year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Paradise Beverages (Fiji) Limited and the entity it controlled during the financial year.

Ernst & Young

Ernst & Young
Chartered Accountants

Sikeli Tuinamuana
Partner
Ernst & Young
Chartered Accountants
Level 7, Pacific House
1 Butt Street
Suva, Fiji

28 March 2019

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INDEPENDENT AUDIT REPORT

To the Shareholders of Paradise Beverages (Fiji) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Paradise Beverages (Fiji) Limited ("the Company") including its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than the provision of assurance services in our capacity as auditor, we have no relationship with, or interest in, the Company. Partners and employees of our firm deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description on how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to the key audit matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the financial statements.

Impairment assessment of intangible assets

Why significant	How our audit addressed the key audit matter
As at 31 December 2018, intangible assets relating to brand names amount to \$7.5m and represent 5% of the total assets of the Group. As disclosed in Notes 8 and 9 to the consolidated financial statements, the Directors' assessment of impairment for intangible assets and other assets within the relevant cash generating unit (CGU) involves critical accounting estimates and assumptions, specifically concerning assumptions about the future, including future cash flows.	Our audit procedures considered the requirements of IAS 36 *Impairment of Assets.* This involved an assessment of whether the methodology used by management and the directors met the requirements of IAS 36. Management did not identify any specific impairment indicators and so assessed the recoverable value of the entire CGU to which the brand names and other assets relate. We tested whether the impairment model used by the Group to assess the value of the CGU were mathematically accurate. We evaluated the cash flow forecasts used in the impairment model by considering the reliability and accuracy of the Group's historical cash flow forecasts and considered this against our knowledge of the business and the sectors to which the brands relate. We also evaluated the appropriateness of other key assumptions including the discount rate, terminal growth rates and forecast growth assumptions. We performed sensitivity analysis on the impairment model by considering the impact of different, but potentially appropriate, values for selected assumptions on the resulting valuation amounts. We considered the adequacy of the financial report disclosures contained in Notes 8 and 9 regarding those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of the intangible asset.

INDEPENDENT AUDIT REPORT [CONTINUED]

Information Other than the Consolidated Financial Statements and Auditor's Report

The management and directors are responsible for other information. The other information comprises the information in the Group's Annual Report for the year ended 31 December 2018, but does not include the consolidated financial statements and the auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and Directors for the Consolidated Financial Statements

The management and Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and the Companies Act 2015 and for such internal control as the management and Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the management and Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management and Directors either intend to liquidate the Group to cease operations, or have no realistic alternative but to do so.

The management and Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the directors.

- Conclude on the appropriateness of management and directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with management and directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the directors with a statement that we 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 our independence, and where applicable, related safeguards.

INDEPENDENT AUDIT REPORT [CONTINUED]

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *continued*

From the matters communicated with management and the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2015, in our opinion:

a) Proper books of account have been kept by the company and the group, so far as it appears from our examination of those books,

b) the accompanying financial statements:

   i) are in agreement with the books of account; and

   ii) to the best of our information and according to the explanations given to us, give the information required by the Companies Act, 2015 in the manner so required.

Ernst & Young

Ernst & Young
Chartered Accountants

Sikeli Tuinamuana
Partner
Ernst & Young
Chartered Accountants
Level 7, Pacific House
1 Butt Street
Suva, Fiji

28 March 2019

DISCLAIMER ON ADDITIONAL INFORMATION

The additional financial information, being the detailed SPSE disclosure requirements has been compiled by the management of Paradise Beverages (Fiji) Limited.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than Paradise Beverages (Fiji) Limited may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

Disclosure requirements of the South Pacific Stock Exchange (not included elsewhere in this report) are as follows:

SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS

(a) Statement of interest of each Director in the share capital of the Company or in a related Corporation as at 31 December 2018 in compliance with Listing Requirements:

Cecil Browne (Direct interest) 500 shares in Paradise Beverages (Fiji) Limited.
Gardiner Whiteside (Direct interest) 500 shares in Paradise Beverages (Fiji) Limited.

(b) Distribution of Shareholding

Holding	No. of Holders	% Holding
Less than 500 shares	275	0.43
500 to 5,000 shares	343	4.52
5,001 to 10,000 shares	15	0.97
10,001 to 20,000 shares	5	0.64
20,001 to 30,000 shares	2	0.47
30,001 to 40,000 shares	1	0.29
40,001 to 50,000 shares	0	-
50,001 to 100,000 shares	2	1.36
100,001 to 1,000,000 shares	1	1.73
Over 1,000,000 shares	1	89.59
	645	100.00*

* Rounded to 2 decimal places

(c) Share register, registered and principal administrative office and company secretary

Registered and principal administrative office
Paradise Beverages (Fiji) Limited
122 - 164 Foster Road
Walu Bay
Suva, Fiji
Phone : 3315811
Fax : 3300408

Share registry
Central Share Registry Pte Limited,
Shop 1 & 11 Sabrina Building,
Victoria Parade, Suva
Ph: 3304 130 / 3313 764

The company is incorporated in Fiji with limited liability and is listed on the South Pacific Stock Exchange. The company secretary is Mr Vinish Singh, Chief Financial Officer, Paradise Beverages (Fiji) Limited.

(d) Subsidiary's performance Section 6.3.1 (viii)

	2018
	F$
Samoa Breweries Limited	
Turnover	22,668,909
Other income	205,818
	22,874,727
Depreciation	(4,713,958)
Other expenses	(22,833,639)
Interest	(287,264)
Income tax credit	1,342,776
	(26,492,085)
Net loss after tax	(3,617,358)
Assets	38,736,002
Liabilities	(12,301,755)
Shareholders' Funds	26,434,247

SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS (CONTINUED)

(e) Top 20 Shareholders Report

Share Class: Ordinary Shares

Shareholder Name	No. of Shares	Total % Holding
Coca-Cola Amatil (Fiji) Pte Limited	9,325,000	89.59
Fiji National Provident Fund	179,615	1.73
Praful Patel Investments Pty Ltd < P & A Patel Superfund A/C >	79,815	0.77
Pravin Patel	61,485	0.59
PatelKhatri Investments (Fiji) Ltd	30,387	0.29
Graham Eden	24,740	0.24
Colonial Fiji Life Limited	23,750	0.23
Rodney C Wardrop	15,625	0.15
FijiCare Insurance Limited	13,848	0.13
Chhabildas Jamnadas	12,500	0.12
Pacific Transport Limited	12,500	0.12
Alison A Cupit	11,875	0.11
Harifam Limited	10,000	0.10
Johnson L Joe	9,375	0.09
George Tavanavanua	7,150	0.07
Platinum Insurance Limited	7,055	0.07
Beverley Ann Muir	6,875	0.07
Carolyn Frances Thompson-Edwards	6,875	0.07
J Santa Ram (Stores) Limited	6,500	0.06
Captain Edward P Barratt	6,250	0.06
	9,851,220	94.65*

* Rounded to 2 decimal places

(f) Five year financial history

	2018	2017	2016	2015	2014
	$000	$000	$000	$000	$000
Net profit	12,213	14,738	13,492	12,361	9,853
Assets	162,250	158,411	144,660	130,792	123,007
Liabilities	24,116	28,471	26,192	22,457	26,552
Equity	138,134	129,940	118,468	108,335	96,455

Dividend per share	$0.40
Earnings per share	$1.17
Net tangible assets per share	$12.40
Highest market price per share	$13.02
Lowest market price per share	$12.50
Market price per share at end of financial year	$13.00

SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS (CONTINUED)

(g) Board meeting attendance – section 6.31 (vi)

Directors	28 March 2018	29 May 2018	17 August 2018	29 November 2018
George Forster	✓	✓	✓	✓
Cecil Browne	✓	✓	✓	✓
Gardiner Whiteside	✓	✓	✓	✓
Shane Richardson	✓	✓	✓	✓
Alex Nario	✓	✓	✓	✓
Elizabeth McNamara (appointed 3 May 2018)	n/a	✓	✓	✓