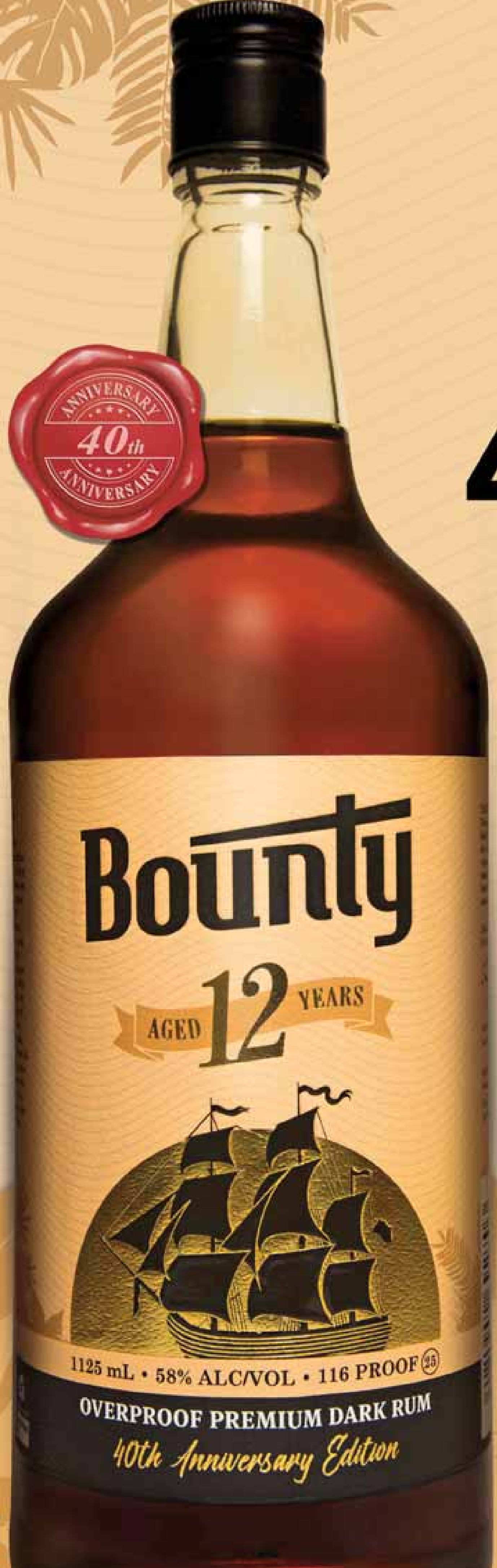
Bounty
PREMIUM RUM

Celebrating 40 years of world class rum in Fiji



PARADISE BEVERAGES

2019
ANNUAL REPORT

Fiji
GOLD
BEER
Refreshingly Gold
12
CAT

CONTENTS

CHAIRPERSON'S REPORT

The 2019 year was a challenging one for Paradise Beverages. Our Fiji Brewery in Suva recovered from its second fire in November 2018 and our Samoan business continued to face aggressive competition while having to find efficiencies from ageing plant and equipment. In addition, along with our customers and consumers, we faced challenges from several severe weather events and the measles epidemic, notably resulting in the declaration of a state of emergency in Samoa.

In the face of these myriad challenges, our business responded with strength and determination. We can all be proud of the way in which our people rallied together to support the communities in which we operate to respond and recover. At the same time, the strong result delivered in 2019 continues to establish the foundations for future growth and success of the Paradise Beverages business.

As such, I am pleased to present the Paradise Beverages (Fiji) Limited Annual Report for 2019.

SHAREHOLDER VALUE PROPOSITION

In 2019 the Amatil Group, of which Paradise Beverages is part, redefined its approach to the creation of long-term value. It is a new way of thinking about how we create long-term, sustainable value that integrates our previous sustainability framework with how we create and protect Shareholder value. We believe creating value for society is consistent with the delivering value to Shareholders. This means that as we pursue growth, we do so through the lens of seeking positive impacts for our people, customers, partners, consumers, the environment and our community. This is what we call our Value Proposition.

At the heart of our Value Proposition is a thriving customer base. This is underpinned by four contributors – an engaged workforce, committed business partners, delighted consumers and a healthy natural environment. Our performance against these contributors determines our success in delivering value to Shareholders and to the communities in which we operate. This is reflected in the Paradise Beverages mission: To be recognized as the premier place to work, creating world-class beverages, and making a positive contribution to the business and the markets where we operate.

THRIVING CUSTOMERS

2019 delivered some great successes for our customers across the Pacific. Innovation in the alcoholic ready to drink (ARTD) category delivered strong growth, largely driven by our Joskes Brew which grew at 45.1 per cent across 2019. In the highly competitive Samoan market we demonstrated an ability to recover market share, with soft drink sales increasing by 0.9 per cent.

To further unlock synergies between product categories, and to build on the integration of Amatil's Pacific based businesses, from 1 January 2020 Paradise Beverages and Coca-Cola Amatil Fiji now both report to Coca-Cola Amatil's Pacific management team based in New Zealand. Working more closely together, Paradise Beverages and Coca-Cola Amatil Fiji will be able to offer customers the benefit of one sales rep, one delivery and one invoice for all of their beverage requirements. With Paradise Beverage's great product portfolio now able to be sold by Coca-Cola Amatil Fiji's large and highly regarded sales team across the Pacific, we are confident that we will continue to win market share, deliver new business growth, and receive strong customer recognition.

SAFE AND ENGAGED PEOPLE

We strive to achieve and maintain a safe, open, diverse and inclusive workplace. Our people are committed to working with us to create a culture that ensures the health, safety and wellbeing of our workforce.

This commitment to safety in particular was reflected in an impressive reduction in medical treatment injuries, from 4 in 2018 to 2 in 2019, and a continued downward trend in total reportable injury frequency rate. Although the increase in reported lost time injuries is regrettable, it demonstrates the commitment across the business to identify and report injuries as a key part of our safety journey.

Across 2019 we invested in a range of programs to support employee safety, health and wellbeing (including mental wellbeing). We also increased access to our leadership development programs, with a particular focus on inclusive leadership development and strengths-based capability training.

Our 2019 employee engagement scores show that our people feel engaged, included and developed. Our engagement scores increased by 3 percentage points for Fiji and 12 percentage points for Samoa over last year.

COMMITTED PARTNERS

As a part of the Amatil Group, Paradise Beverages has access to a wide range of expertise, experience, and opportunity. Leveraging Amatil's relationship with suppliers and production expertise, our capital investment plan continued during 2019 with an investment of nearly $16.4 million. The Company invested in a new bottle filler at its Fiji Brewery and a new packaging line and upgraded ammonia refrigeration system at Rum Co of Fiji.

While 2019 proved a challenging year for international sales, we have used this time to reset our strategy and build relationships with leading global partners to take our award winning rums and beloved beers to the world in 2020.

DELIGHTED CONSUMERS

As our products continue to delight consumers across the Pacific and the world, we remain focussed on supporting their wellbeing.

In 2019 we lowered the sugar content of our products and improved the choice of lower alcohol and lower calorie beverages. Underlying our commitment to responsible marketing, we continued our staff training program and world-wide best practice standards in responsible marketing. In 2020, we are partnering with leading educational authorities to create and pilot Fiji's first Responsible Service of Alcohol (RSA) program.

We have also continued to invest in community programs. In 2019 we provided some $0.5 million (equivalent to 6.1 per cent of EBIT excluding impairment) in local community support, helping local sports organisations, schools, aged care and services for the homeless and those in need. We also remain a major sponsor of sport in Fiji, supporting the Fijian rugby team, the Fijian Drua.

BETTER ENVIRONMENT

In 2019 we undertook a number of measures to improve our manufacturing efficiencies. Overall, in 2019 operational efficiency at the Fiji Brewery increased on average to 57%, at the Rum Co of Fiji to 23%, and at the Samoa Brewery to 37%. A highlight was the new can line installed at the Suva Brewery, which has already delivered a 70% increase in line efficiency. More broadly, we have also, increased our use of renewable and low-carbon energy, and reduced our carbon footprint and improve our water outcomes.

We have been leading the region in returnable glass for over 60 years and in 2019, we increased the use of returnable glass from 73 per cent to 81 per cent, saving an extra 850 tonnes from the landfill. We have also added a third collection depot in Vanua Levu to increase rates further. In 2020, we are looking at options to collect and re-use one way glass bottles and cans.

We've been helping protect Fiji's marine environment since 2006. In 2019, we continued our annual investment with the Mamanuca Environment Society (MES) and our commitment to support the full extent of the organization's work across land and marine environments.

GROUP PERFORMANCE

Our overall Group (comprising of the Company and its subsidiary company, Samoa Breweries Limited) result for 2019 was a 73.5 per cent decrease in earnings per share. There was a 2.1 per cent decrease in trading revenue to $103.7 million, and an 89.6 per cent decrease in earnings before interest and tax (EBIT) to $1.3 million.

Fiji's profit before income tax decreased by 34.7 percent to $11.5 million compared to $17.6 million in the prior year, which included a $3.8 million impairment of investment in its subsidiary Company Samoa Breweries Limited. Net sales revenue declined by 1.1 per cent to $82.4 million, with volumes also decreasing by 7.2 percent over last year.

DIVIDENDS

During the year, the Company paid a final dividend to shareholders of $0.50 per share relating to the 2018 financial year, which was a $0.10 per share increase on 2017.

The Company's dividend policy is summarised as follows:

- The Board will consider declaring and paying an interim and a final dividend in relation to each half and full financial year (respectively).
- In considering the quantum of the dividends to be declared, the Board will take into account the Company's ability to produce and generate after tax profits, as well as the Company's ability to fund planned capital expenditure on the basis that any proposed dividend should not in any way hinder or restrict continuing business operations.
- Subject to the above, it is intended that the total of the dividends declared in relation to a financial year shall at the minimum be equal to 70% of the Profit After Tax of the Company for that financial year.
- This policy is reviewed on an ongoing basis to ensure the needs of the Company's stakeholders are being met with regards to dividends.

BOARD UPDATE

Board renewal is an ongoing and important exercise. It ensures the Board has the right mix of skills and experience to meet the Company's strategic objectives and future challenges, and that our shareholders are represented by a diverse and experienced Board.

In November 2019 following some changes in Coca-Cola Amatil Limited's (Amatil) organisational structure, we announced the appointment of Chris Litchfield and Roger Hare to the Board, replacing David Browning and Elizabeth McNamara. Chris has 26 years' experience with Amatil and is currently the Managing Director of the New Zealand & Fijian businesses. Chris has a proven track record of strong business leadership, customer management, new business acquisition and commercial planning. Roger Hare has been with Amatil for over 25 years and is the General Manager of Amatil's beverages business in Fiji. Under Roger's leadership, this business has been recognised as the fastest growing Coca-Cola Company bottler in the Pacific.

CREATING VALUE TOGETHER

The Board is committed to delivering long-term sustainable value for our customers, our people, partners, consumers, the environment and our shareholders.

Like many organisations across the globe, Paradise Beverages is continuing to work through the constantly changing impacts of COVID-19, with safety and wellbeing of our people, our consumers, our customers and our communities being our overriding priority. We will continue to evolve our response and assess the impact of this global pandemic as its effect on our business becomes clearer.

On behalf of the Board, I would like to take this opportunity to thank all the team for their dedication and contribution during the year.

Betty Ivanoff
Chairperson

BOARD OF DIRECTORS

BETTY IVANOFF

Chairperson
Group Director, Legal & Corporate Affairs

Betty joined Coca-Cola Amatil as Group General Counsel in April 2016, as a member of the executive, leading the legal and company secretariat teams across Coca-Cola Amatil's markets and operations. Betty was also appointed as an additional Company Secretary in September 2016. Further to her existing responsibilities for the Group's Legal, Governance and Compliance disciplines, Betty's role expanded in November 2019 to include leadership of the Group Public Affairs, Communications and Sustainability team.

Betty holds a Bachelor of Laws from the University of Technology Sydney. She is an active member of the International Bar Association (IBA) and Australian Corporate Counsel (ACC).

CHRIS LITCHFIELD

Director
Managing Director of New Zealand & Fiji

Mr Chris Litchfield has 26 years' experience with Amatil and is currently the Managing Director of New Zealand & Fiji. Chris has a proven track record of strong business leadership, customer management, new business acquisition and commercial planning. As Managing Director of New Zealand & Fiji, Chris has led a highly engaged workforce to deliver five years of profit growth. Chris holds a Bachelor of Commerce from Canterbury University.

ROGER HARE

Director
General Manager - Pacific Islands

Mr Roger Hare has been with Amatil for over 25 years and is the General Manager of Amatil's beverages business in Fiji. Under Roger's leadership, this business has been recognised as the fastest growing Coca-Cola Company bottler in the Pacific and the 2nd fastest growing Coca-Cola Company territory in the Asia Pacific region. Roger holds a Bachelor of Commerce (ACA) majoring in Accountancy from Canterbury University.

CECIL BROWNE

Non-Executive Director

Cecil was appointed Non-Executive Director of Foster's Group Pacific Limited (now Paradise Beverages (Fiji) Limited) in 2009, having worked for Barclays and ANZ for 35 years. During that time, he had work attachments in London, Melbourne, Solomons, Cook Islands and East Timor and held various senior executive positions with ANZ including Deputy General Manager ANZ Fiji and Head of Business Banking and then Deputy General Manager ANZ Fiji and Head of Corporate Banking. He retired in 2009 and joined Bank South Pacific as General Manager Retail. He held the position of General Manager Corporate and International, prior to his retirement in 2020.

GARDINER WHITESIDE

Non-Executive Director

Gardiner is a Public Accountant and has been in Practice for many years. He was appointed as a Non-Executive Director of Foster's Group Pacific Limited (now Paradise Beverages (Fiji) Limited) in 2011 and brings over 25 years of Board experience with both local companies and statutory and commercial entities. Gardiner is a member of the New Zealand and Fiji Institutes of Chartered Accountants.

MEET OUR LEADERSHIP TEAM

EXECUTIVE MANAGEMENT TEAM

MICHAEL SPENCER

General Manager
Appointed in March 2017

Mr Spencer commenced with Carlton and United Breweries (CUB) in 1986 as a senior member of the brewing team in Sydney. During his 17 years with CUB, he held senior roles in Operations and Sales, including three years managing CUB's brewing operations in Fiji in the mid 90's, and a two-year tenure as Head Brewer at CUB's largest brewery in Melbourne. He was a member of the team that carried out due diligence of Foster's Fiji, on behalf of Coca-Cola Amatil, and subsequently was appointed Head of Operations of Paradise Beverages (Fiji) Limited when the business was formed in September 2012. Mike was appointed General Manager in March 2017.

Mike holds a Bachelor of Engineering (Mech) from Sydney University, is Member of the Institute of Brewing & Distilling (IBD) and a Member of the Master Brewers Association of the Americas (MBAA). He is also a Member of the Australian Institute of Company Directors.

SUDHA DEO

General Manager Operations
Appointed in June 2017

Ms. Deo has extensive experience in the manufacturing industry having commenced her career with Coca-Cola Amatil Fiji in 1997 as part of the Operations Team and joined Paradise Beverages in 2006 (formerly known as Foster's Group Pacific Limited) as a senior member of the Suva Brewing team.

In her 13 years with the company, Ms. Deo has held senior roles in operations team, including three years managing the Suva site operations and seven years as Head Brewer. Ms. Deo was appointed Acting Head of Operations in Dec 2016 and progressed to the lead role in June 2017.

Sudha holds a Bachelor of Science (Biotechnology) from RMIT Australia, a Diploma in Brewing from the Institute of Brewing & Distilling in London, has successfully completed the MBA programme at USP and is currently working on her Masters in Brewing through the Institute of Brewing & Distilling in London. She is also a member of the Institute of Brewing & Distilling. Sudha was also awarded the Excellence in Industry Leadership Award in 2019 from Women in Business (Fiji).

JOSEPH RODAN

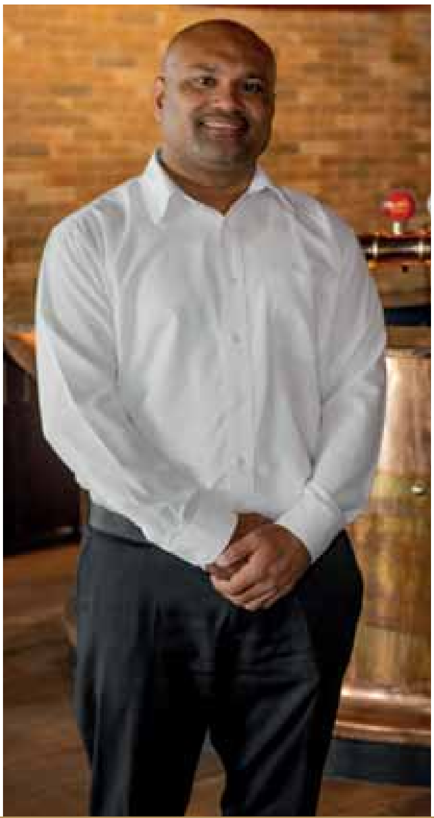
General Manager Sales & Corporate Affairs
Appointed in March 2017

With more than 30 years of leadership experience in the company, Mr Rodan has extensive capability and knowledge in the areas of marketing, sales, logistics, operations and general management. Prior to joining the company, he was employed by Carpenters Fiji Ltd. Mr Rodan has had a distinguished sporting career, spanning over 30 years, as an athlete and an administrator.

He represented Fiji at the Olympic Games four times, has taken part in five Commonwealth Games and nine South Pacific Games, winning a total of 14 gold medals. In 1983 he received a nomination for the Fiji Sportsman of the Year Award and was inducted into the Fiji Sports Hall of Fame.

He was appointed President of Athletics Fiji in 2014 and is also President of the Fiji Association of Sports & National Olympics Committee (FASANOC), taking the Fiji team to the Rio Olympic Games in 2016.

EXECUTIVE MANAGEMENT TEAM (continued)



BANUVE YALIMAIWAI

General Manager Human Resources & Sustainability
Appointed in September 2010

Mr Yalimaiwai has a decade of experience within Paradise Beverages (Fiji) Limited, beginning his career in 2008 as Human Resources & Employment Relations Advisor. In 2010 he went on to become the Manager Human Resources & Sustainability.

Banuve holds a Post Graduate Certificate in Human Resource Management from the University of the South Pacific.

He is a Certified Professional with the Australian Human Resource Institute, a Certified Basic Business & Commercial Mediator with the Australian Commercial Dispute Centre and Certified Member of the Fiji Human Resources Institute.

VINISH SINGH

Chief Financial Officer and Company Secretary
Appointed in May 2013

Mr Singh joined the company (formerly known as Foster's Group Pacific Limited) in November 2006, as Financial Controller for Samoa Breweries Limited. He was appointed as Manager Commercial in 2008.

In September 2011, he then returned to Fiji as Acting Financial Controller, Pacific, before being appointed to his current role in 2013.

Prior to joining Paradise Beverages (Fiji) Limited, Mr Singh worked at the Fiji Ports Corporation Limited as General Manager Finance/Administration and Company Secretary. He holds a Bachelor of Arts degree, majoring in Accounting and Economics from the University of the South Pacific. He is a member of the Fiji Institute of Accountants and CPA Australia.

BRENT ADAMS

General Manager – Samoa Breweries Limited
Appointed in March 2017

Mr Adams commenced with Coca-Cola Amatil (Australia) in 2002 and during his 17 years worked at all levels of sales including Regional Sales Manager (Southern NSW), State Group Business Manager (Key Accounts) and three years as the State Sales Manager for NSW. During his time at Amatil he also developed a broad range of skills with roles in Finance as the Senior Commercial Manager of Marketing & Sponsorship, Category as the Senior Category Manager of Water, Sports and Tea and Strategy with two years as National Channel Strategy Manager (Immediate Consumption).

In June 2019 Brent joined Paradise Beverages as the General Manager for Samoa Breweries where he is overseeing the total operation of the Brewery including the production, sales, distribution and marketing its Vailima and Moni Brands as well as the Coca-Cola Beverages Brands produced under License.

Brent holds a Bachelor of Management from the University of Newcastle with a Double Major in Marketing and Entrepreneurship.

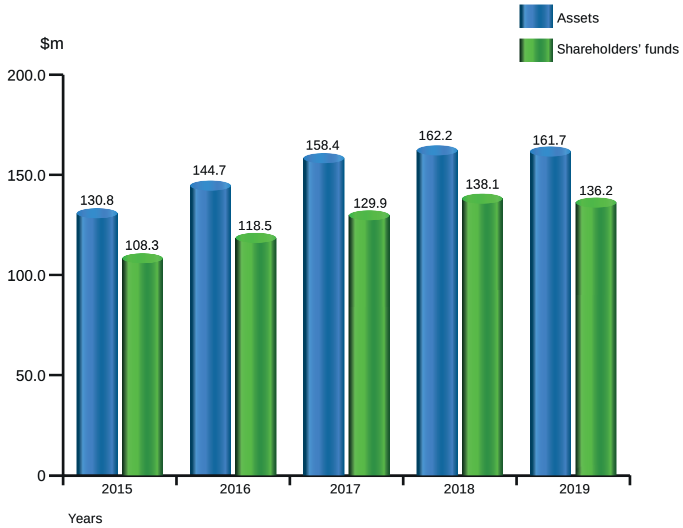

PARADISE
BEVERAGES

OPERATING RESULTS – PERFORMANCE HIGHLIGHTS

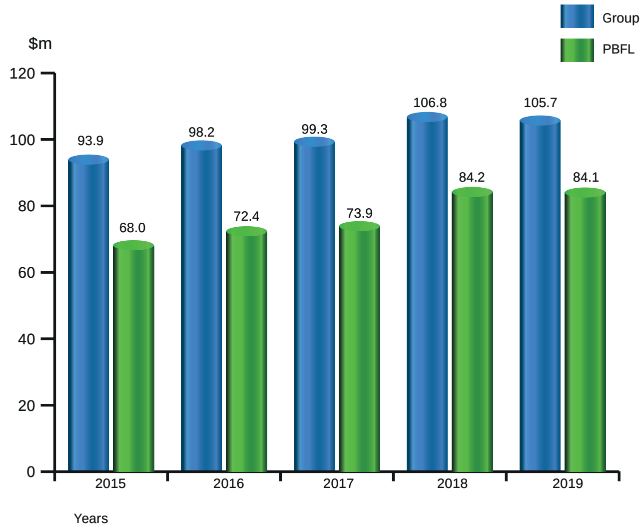
	GROUP					HOLDING COMPANY				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Sales Revenue ($'000)	93,192	97,671	98,227	105,885	103,697	67,197	71,871	72,743	83,287	82,389
Other operating revenue ($'000)	678	546	1,055	939	2,009	816	577	1,191	929	1,744
Gross Margin ($'000)	33,110	34,876	36,441	34,903	34,926	27,036	27,819	29,465	32,462	33,905
EBIT ($'000)	13,865	15,410	16,702	12,937	1,345	13,831	14,065	15,667	17,606	11,497
NPAT ($'000)	12,361	13,492	14,738	12,213	3,267	12,411	12,546	14,089	15,826	9,907
Operating Ratios										
Gross Margin Conversion to NSR [%]	35.5	35.7	37.1	33.0	33.7	40.2	38.7	40.5	39.0	41.2
EBIT/NSR Conversion [%]	14.9	15.8	17.0	12.2	1.3	20.6	19.6	21.5	21.1	14.0
NPAT/Sales Revenue [%]	13.3	13.8	15.0	11.5	3.2	18.5	17.5	19.4	19.0	12.0
Financial Position										
Total Assets ($'000)	130,792	144,660	158,411	162,250	161,659	109,460	121,030	130,838	142,071	151,279
Total Liabilities ($'000)	22,457	26,193	28,471	24,116	25,454	12,678	14,792	13,566	13,140	17,583
Net Assets ($'000)	108,336	118,468	129,940	138,134	136,205	96,781	106,238	117,272	128,931	133,697
Financial Position Ratios										
Gearing [%]	17.2	18.1	18.0	14.9	15.7	11.6	12.2	10.4	9.2	11.6
Cash Flows										
Net operating cash flows ($'000)	16,866	17,268	15,892	14,023	29,771	14,757	14,211	17,268	13,642	28,393
Net investing cash flows ($'000)	(9,877)	(15,429)	(12,561)	(7,992)	(16,326)	(9,215)	(13,286)	(15,429)	(7,219)	(15,629)
Net financing cash flows ($'000)	(520)	(3,122)	(3,122)	(4,163)	(5,348)	(520)	(3,122)	(3,122)	(4,163)	(5,348)
Key Measures										
Earnings per share ($)	1.19	1.30	1.42	1.17	0.31					
Return on Net Assets [%]	11.4	11.4	11.3	8.8	2.4	12.8	11.8	12.0	12.3	7.4

OPERATING RESULTS – FINANCIAL HIGHLIGHTS

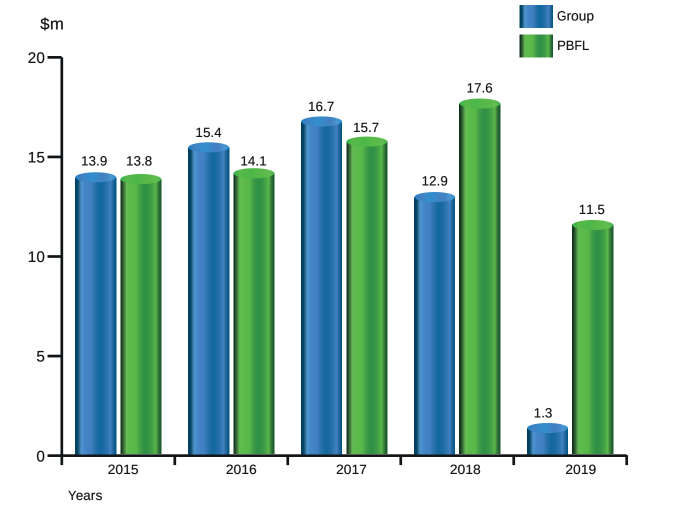
Total Assets & Shareholders' Funds



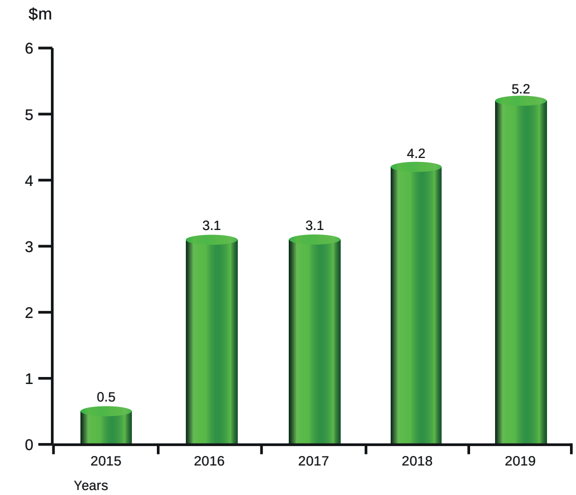
Operating Revenue



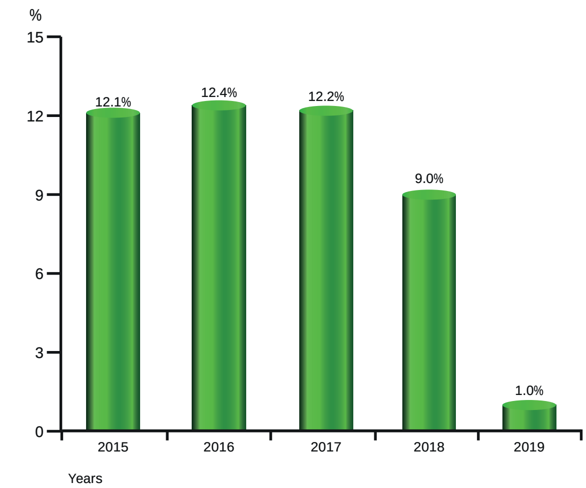
Earnings Before Interest & Taxes (EBIT)



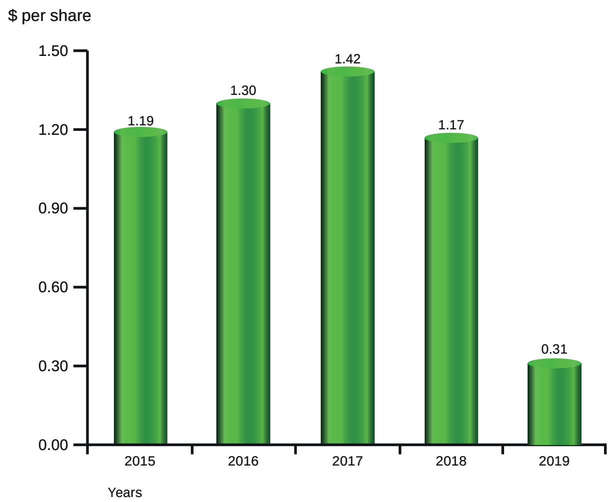
Dividends Declared/Paid



Return on Capital Employed



Earnings per Share



SUSTAINABILITY at PARADISE

SUSTAINABILITY STRATEGY

Paradise Beverages is committed to making a distinctive and positive contribution to the world in which we live. This is reflected in our mission: To be recognised as a premier place to work, creating world-class beverages and making a positive contribution to the business and the markets where we operate every day.

With each decision we make, we seek to achieve the best outcomes for our people, our customers and consumers and the community, while delivering consumer choice and wellbeing, a better environment and returns for shareholders.

Our sustainability framework is organised by four pillars: Our People, Wellbeing, Environment, and Our Community. In 2018, Paradise Beverages conducted a full review of each of these four pillars and developed a set of priorities and strategies that we actioned in 2019 and carry through to 2020.

These priorities are embedded within our broader business strategy to deliver long-term value for shareholders and society. The priorities reflect the expectations of our key stakeholders and we know that by focusing on those areas we can, and do, make the most difference.

We acknowledge the concern regarding the environment, climate change, sustainable packaging, and consumer choice and wellbeing and we will continue to prioritise these areas.

We are proud to present you with this overview of our performance against the sustainability framework in 2019, and wonderful stories from across our community. For more information please visit http://www.paradisebeverages.com.fj.

OUR PEOPLE

Inclusive Leadership and unrivalled capability

Paradise Beverages is committed to creating a culture of inclusive leadership and building capacity to drive value for our people and our organization. We will provide a safe, open, diverse and inclusive workplace where our people are engaged and energized by, and committed to, human rights and their health, safety and wellbeing at work. Paradise Beverages are committed to providing a healthy and safe work environment that supports the wellbeing of our people. Continuously improving health, safety and wellbeing is our priority. Adhering to the Amatil Group Health, Safety and Wellbeing Policy we believe everyone plays a role in making it a safe place to work and together we will make a difference to the health, safety, and wellbeing of our people. As employees, we are accountable for our safety and have a responsibility to look out for the safety of our colleagues.

In 2019, Paradise Beverages recorded a decrease in employee Medical Treatment Injuries (MTIs) from 4 to 2 which reflects management's increased focus on encouraging the reporting of injuries, engagement and leadership safety walks. Correspondingly, in 2019 Lost Time Injuries (LTI) regrettably increased from 7 to 9 all as a result of manual handling and minor lacerations.

As a result, the company has invested in additional machinery, improved processes, identifying injury hotspots and developing a plan to proactively tackle areas of concern across Fiji Brewery, Rum Co of Fiji Distillery and Vailima Brewery.

In 2020, we will 'get back to basics' through the leader Behavioural Safety program focused on increasing awareness and engagement in personal decision making, while increasing leadership capability to have safety conversations.

In 2019, we also continued our focus on programs to support employee health and wellbeing, including mental wellbeing, and on investing in better facilities and ongoing education to support a culture of safety and wellbeing.

In addition, to help achieve our mission we leveraged the broader Amatil system to further enhance our leadership development programs with a particular focus on inclusive leadership development and strengths-based capability training. We aim to help build the leaders of tomorrow for the company and Fiji. The leadership development programs included a series of initiatives including:

- Leadership Speaker Series
- Sisterhood Fiji program
- Franklin Covey Leadership Training
- Change Management Training

We are also pleased to report continued improvement in our overall annual employee engagement score. In 2019, Paradise Beverages achieved a score of 72 percent, an improvement of five percent in 2018 and seven percent in 2017. We know that an engaged workforce who believes in our future, is connected to our strategies, confident in our leaders and proud to be a part of our company, are critical to the delivery of our priorities. We are pleased that our commitment to our People and Culture is helping to drive pride in our business and re-invigorate our wider team. Diversity of thought, inclusive leadership and behaviors, active listening and communications were some of the areas we talked about openly and authentically shared. We will repeat the program and push the boundaries again in 2020.

Wellbeing

Information and Choice Responsibility Leadership

As the power behind our region's favourite brands, the physical, mental and social wellbeing of our consumers is at the heart of our vision to delight millions every day. Our success is built on our commitment to lead a safe, convivial and responsible drinking culture.

From cherished personal moments or toasting national celebration, to the simple processes involved in our distilling and brewing, joy of relaxing at home with friends and family, each week Fijians and Samoans enjoy our beverages responsibly and in moderation, as part of balanced, happy and socially engaged lifestyles.

Global alcohol consumption is at its lowest levels in five decades, with more people than ever choosing to drink less but better. The overwhelming majority drink responsibly, enjoying alcohol as part of a balanced lifestyle. Equally encouraging is the continuation of the long-term downward trends in problem and underage drinking. We're committed to playing our part in ensuring this culture of responsibility continues. As well as giving consumers choice, innovation and high-quality beverages, we work hard to ensure they are always produced, marketed and supplied responsibly to our adult customers.

In 2019, we lowered the sugar content and improved our choice of lower alcohol and lower calorie beverages. We introduced Fiji Gold Moli, our lemon infused beer as a brand extension of Fiji Gold which has less carbohydrates than traditional beers and we continue to grow Vonu Export, our ultra-low carb and low gluten beer, expand the range of low sugar options and reduce overall sugar content across our popular Tribe range. In Samoa, we reduced the sugar content across our Moni premix beverages range by an average of 0.5g/100mL.

In 2019, we underlined our responsible marketing commitment by launching a new staff training program and world-wide best practice standards in responsible marketing. By ensuring our beverages are always marketed responsibly, our aim is to help those who are legally allowed to consume our beverages and to ensure they do so in an informed and responsible way.

We're also working to ensure our beverages are sold and served responsibly. By drawing on international examples and our local expertise, in 2020 we plan to partner with education authorities to roll out a new hospitality industry training module in the Responsible Service of Alcohol.

ENVIRONMENT

Sustainable Packaging Climate Change and Environmental Protection

We aim to leave a positive legacy and ensure minimal impact on the environment, working responsibly in all we do, and making the right choices now, in a sustainable way, for future generations. Our focus is on areas where we have the most opportunity to make a difference: improving waste and recycling outcomes; energy management; and water efficiency and stewardship.

Since the brewery opened 63 years ago, Paradise Beverages has been leading the region in returnable glass, which accounts for over 95 per cent of our beverages. This process is better for the environment, as each container is collected, cleaned and reused an average of eight to ten times, which contributes to less waste sent to landfill and better littering outcomes. The system also provides an important source of employment for local people, as many collection partners are sole operators or family-run businesses.

As a result of our continued efforts, in 2019 we increased the use of returnable glass from 73 per cent to 81 per cent – equating to 850 tonnes of glass saved from landfill, each year.

Further improvements have been made, with the establishment of a third collection depot in Vanua Levu to improve outcomes for collectors operating on the island. We support the Department of Environment's goal of a litter free environment through the collection and recycling of suitable packaging material.

We welcome the opportunity to provide feedback on the proposed Container Deposit Scheme and the associated draft Container Deposit Regulations. Paradise Beverages supports the introduction of a well-run cost-effective and efficient scheme and is committed to working with local and government partners to play our part in reducing the number of beverage containers littered or disposed of to landfill.

As part of our commitment to reduce our carbon footprint. We are actively working to increase our use of renewable and low-carbon energy in our operations and improving our manufacturing efficiencies.

Another way we work to protect Fiji's environment is through our long-term partnership with the Mamanuca Environment Society. For over a decade, our Vonu beer (which carries the Vonu Dina as its emblem) has been a committed supporter of the charity. In 2019, we continued our annual investment with a commitment to support the full extent of the organization's work across land and marine environments.

In addition, we partnered with the University of the South Pacific through the Pacific Centre for Environment & Sustainable Development, to plant more than 50,000 mangrove shoots at the Lami foreshore to help combat soil erosion and to provide habitats for the marine life.

Our Community

Community Support and Partnerships, employee volunteering and giving

We make a unique, sustained, and valued collective impact on the communities in which we operate. Our contribution in Fiji and Samoa delivers outcomes in partnership with local communities to ensure they are relevant to local development needs and circumstances.

We are committed to contributing at least the equivalent of one per cent of EBIT to community investment programs and tracking the impact of this investment annually and over time.

In 2019, we exceeded this commitment, providing some $553,868 (equivalent to 4.3 per cent of EBIT) in local community support, helping over 60 groups including local sports organisations, aged care and services for the homeless and those in need.

Grassroots sport plays a fundamental role in village life in every Fijian community, delivering important social, health and economic benefits. Paradise Beverages has been supporting rugby at all levels, from professional to community, for over 41 years. Grassroots support is a key pillar of its community strategy. Each year we sponsor community sports events and tournaments across Fiji, providing funding and prize money that goes directly back to the local communities to fund new or renovated village facilities and services, and help local families grow food and buy crucial supplies. At a grassroots level, in 2019 Paradise Beverages provided $89, 650 in direct financial and in-kind support to eight local communities, benefitting over 100, 000 villagers right across the country.

In 2019, our support of community programs included supporting Suva's homeless with product donations and volunteering; hosting a charity ball with donations going towards renovating the Colonial War Memorial Hospital Men's ward; helping the Fiji Cancer Society through donations at a Paradise Pinktober fundraising night, and funding of the Children's Christmas Party at the Fiji Brewery's staff cafeteria.

Paradise Beverages has supported the work of the Mamanuca Environment Society (MES) in protecting the turtles since 2006, providing ongoing financial support, participating in education programs and helping promote awareness, including by endorsing the charity on its packaging and in point-of-sale material. In 2019, we helped the organisation gain visibility through the media and through Fiji's largest music festival, Vonu Uprising Music and Lights festival, where they educated festival goers on the importance of marine life.

2020 UPDATE

MISSION

We will be recognised as the premier place to work, creating world-class beverages and making a positive contribution to the business and in the markets where we operate.

SUSTAINABLE & RETURNABLE GLASS

We've been leading the region in returnable glass for over 60 years in 2019, we increase the use returnable glass from 73% to 81%, saving an extra 850 tonnes from the landfill. In 2019, we've added a third collection depot in Vanua Levu to increase rates further. In 2020, we are looking at options to collect re-use one way glass and cans.

95% of all beverages in returnable glass

850 TONNES saved from landfill (which is equivalent to 1 kilo of glass for every single person in Fiji...)

ENVIRONMENTAL CONSERVATION

The team at Paradise Beverages have taken active steps to help protect Fiji's marine environment since 2006. In 2019, we continued our commitment to support our friends at the Mamanuca Environment Society (MES) who are doing tremendous work across land and marine environments. We're proud to support the organisation through a financial grant and that many of our team members are involved in volunteering programs with the MES too.

14 YEARS of turtle conservation

RESPONSIBILTY

At Paradise Beverages we accept our responsibility to provide the community with choice, while also making an effort to lower the sugar content, alcohol and calories where it makes sense to do so.

In 2019, we strengthened our responsible marketing commitment by launching a new staff training program and global best practice and responsible marketing standards.

In 2020, we will partner with leading educational authorities to create and pilot Fiji's first Responsible Service of Alcohol (RSA) program.

100% responsible marketing

LOCAL COMMUNITY SUPPORT

In 2019, we donated FJ $553, 868 (equivalent to 4.3% of EBIT) to local community groups. This included helping more than 60 organisations including local sports groups, aged care organisations, and services for the homeless and those in need.

4.3% EBIT on community spend

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

FOR THE YEAR ENDED 31 DECEMBER 2019

CONSOLIDATED FINANCIAL STATEMENTS 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 2019, and the related statement of profit or loss and other 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 (resigned on 1 May 2019)
Shane Richardson (resigned on 31 October 2019)
Alex Nario (resigned on 1 May 2019)
Cecil Browne
Gardiner Whiteside
Elizabeth McNamara (resigned on 8 November 2019)
Betty Ivanoff (appointed on 1 May 2019)
David Browning (appointed on 1 May 2019 and resigned on 8 November 2019)
Chris Litchfield (appointed on 8 November 2019) and
Roger Hare (appointed on 8 November 2019)

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 2019 was $3,267,067 as compared to $12,213,310 for the year ended 31 December 2018.

DIVIDENDS

A final dividend of $0.50 per share, totalling $5,204,063, was declared and paid during the year (31 December 2018: final dividend of $4,163,250).

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 the 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.

SIGNIFICANT EVENT

During the year impairment of $7,325,797 (2018: nil) on goodwill and non-performing plant & machinery as well as adjustments for the estimated bottles and crates on hand and with customers was recognised for Samoa Brewery Limited.

DIRECTORS' REPORT (continued)

EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to year-end, the World Health Organisation (WHO) declared the coronavirus (Covid 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the national governments of Fiji, Samoa and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of these financial statements is not expected to be material.

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.

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 51.

GROUP CONTRIBUTION

Contributions to Group profit after income tax are as follows:

	2019	2018
	$	$
Paradise Beverages (Fiji) Limited	13,642,843	15,830,668
Samoa Breweries Limited (subsidiary)	(10,375,776)	(3,617,358)
	3,267,067	**12,213,310**

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

Dated this 20th day of March 2020.

Betty Ivanoff
Director

Roger Hare
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Notes	2019	2018
		$	$
Revenue	2.1	103,697,492	105,884,744
Cost of sales		(68,771,825)	(70,982,181)
Gross profit		**34,925,667**	**34,902,563**
Other operating revenue	2.2	2,009,038	939,182
Selling and distribution expenses	3.1	(16,213,070)	(13,560,009)
Administrative expenses	3.2	(12,050,503)	(9,345,199)
Impairment	3.3	(7,325,797)	-
Profit from operations		**1,345,335**	**12,936,537**
Finance costs	3.4	(282,291)	(287,422)
Profit before income tax		**1,063,044**	**12,649,115**
Income tax credit/(expense)	11a	2,204,023	(435,805)
Profit for the year		**3,267,067**	**12,213,310**
Other comprehensive income:			
Exchange gains/(losses) on translation of foreign operations		(51,707)	138,511
Other comprehensive income for the year		**(51,707)**	**138,511**
Total comprehensive income for the year		**3,215,360**	**12,351,821**
Profit attributable to:			
Equity holders of Paradise Beverages (Fiji) Limited		3,905,180	12,435,778
Non-controlling interests		(638,113)	(222,468)
Total profit for the year		**3,267,067**	**12,213,310**
Total comprehensive income attributable to:			
Equity holders of Paradise Beverages (Fiji) Limited		3,856,859	12,565,212
Non-controlling interests		(641,499)	(213,391)
Total comprehensive income for the year		**3,215,360**	**12,351,821**
Earnings per share			
Basic earnings per share	5	0.31	1.17

Notes appearing on pages 26 to 49 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

	Notes	2019	2018
Retained earnings		**$**	**$**
Balance at the beginning of the year		123,372,986	115,100,458
Operating profit after tax		3,905,180	12,435,778
Dividends paid	4	(5,204,063)	(4,163,250)
Balance at the end of the year	13	**122,074,103**	**123,372,986**
Foreign currency translation reserve			
Balance at the beginning of the year		6,148,608	6,010,097
Exchange (losses)/gains on translation of foreign operations		(51,707)	138,511
Balance at the end of the year		**6,096,901**	**6,148,608**
General reserve			
Balance at the beginning		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		177,301	180,939
Employee share-based payments vested		-	(24,782)
Employee share-based payments expense		62,919	21,144
Balance at the end of the year		**240,220**	**177,301**
Share capital			
Balance at the beginning of the year		6,734,250	6,734,250
Balance at the end of the year	13a	**6,734,250**	**6,734,250**
Non-controlling interests			
Balance at the beginning of the year		1,625,706	1,839,097
Operating loss after tax		(638,113)	(222,468)
Other comprehensive (loss)/profit		(3,386)	9,077
Balance at the end of the year	13	**984,207**	**1,625,706**
Total equity		**136,204,681**	**138,133,851**

Notes appearing on pages 26 to 49 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

	Notes	2019	2018
Current assets		**$**	**$**
Cash and cash equivalents	14	11,995,401	4,605,192
Trade and other receivables	6a	24,356,062	27,987,799
Inventories	6b	30,330,113	34,328,127
Current tax assets	11b	942,575	827,271
Prepayments		635,707	610,753
Total current assets		**68,259,858**	**68,359,142**
Non-current assets			
Property, plant and equipment	7	84,403,483	83,723,482
Right of use assets	8	565,155	-
Intangible assets	9	8,430,348	10,166,877
Total non-current assets		**93,398,986**	**93,890,359**
Total assets		**161,658,844**	**162,249,501**
Current liabilities			
Trade and other payables	6c	17,074,007	12,671,934
Interest-bearing liabilities	14a	2,353,189	3,051,686
Lease liabilities	8b	137,732	-
Employee benefits provisions	12a	3,416,768	2,494,424
Current tax liabilities	11b	46,906	280,658
Total current liabilities		**23,028,602**	**18,498,702**
Non-current liabilities			
Employee benefits provisions	12a	1,612,429	1,667,152
Lease liabilities	8b	436,034	-
Deferred tax liabilities	11b	377,098	3,949,796
Total non-current liabilities		**2,425,561**	**5,616,948**
Total liabilities		**25,454,163**	**24,115,650**
Net assets		**136,204,681**	**138,133,851**
Equity			
Share capital	13a	6,734,250	6,734,250
Reserves	13	6,412,121	6,400,909
Retained earnings	13	**122,074,103**	**123,372,986**
Equity attributable to members of Paradise Beverages (Fiji) Limited		**135,220,474**	**136,508,145**
Non-controlling interests	13	984,207	1,625,706
Total equity		**136,204,681**	**138,133,851**

Notes appearing on pages 26 to 49 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

	Notes	2019	2018
		$	$
Inflows/(outflows)			
Operating cash flows			
Receipts from customers		213,224,573	220,990,509
Payments to government - excise duty & VAT/VAGST		(105,106,232)	(115,156,926)
Payments to suppliers and employees		(76,345,483)	(89,771,331)
Interest paid		(256,702)	(287,422)
Lease finance costs		(25,589)	-
Income taxes paid		(1,719,222)	(1,751,840)
Net operating cash flows		**29,771,345**	**14,022,990**
Investing cash flows			
Payments for additions of property, plant and equipment		(16,390,907)	(6,851,343)
Payments for additions of intangible assets – software development assets		(82,790)	(1,140,525)
Proceeds from disposal of property, plant and equipment		148,161	-
Net investing cash flows		**(16,325,536)**	**(7,991,868)**
Financing cash flows			
Lease principal payments		(143,786)	-
Dividends paid to equity holders of Paradise Beverages (Fiji) Limited	4	(5,204,063)	(4,163,250)
Net financing cash flows		**(5,347,849)**	**(4,163,250)**
Net increase in cash and cash equivalents		8,097,960	1,867,872
Cash and cash equivalents held at the beginning of the year		1,553,506	(329,096)
Effects of exchange rate changes on cash and cash equivalents		(9,254)	14,730
Cash and cash equivalents held at the end of the year	14	**9,642,212**	**1,553,506**

Notes appearing on pages 26 to 49 to be read as part of the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
OVERVIEW OF THE FINANCIAL STATEMENTS

Paradise Beverages (Fiji) Limited and its subsidiary
for the year ended 31 December 2019

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 the 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 17 March, 2020.

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 16);
- 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 2019; 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

New and amended standards and interpretations
The following standards, amendments and interpretations to existing standards were published and are mandatory for the annual periods beginning on or after 1 January 2019 or later periods:

There were no significant changes to the Group's accounting policies during the financial year, except for the implementation of IFRS 16.

IFRS 16 Leases

The Group adopted this standard from 1 January 2019. The Group elected to adopt the modified retrospective approach in transitioning to the standard which means that there is no restatement of comparative information.

a) Changes to accounting
i) In general

For a qualifying lease, we now recognise a right of use asset and lease liability based on the present value of future lease payments which excludes payments of a variable nature. The nature and structure of our lease portfolio is such that the interest rates implicit in the leases are not readily determinable. The Group therefore uses Incremental Borrowing Rates (IBRs) to discount the future value of lease payments. The IBR denotes the rate of interest that a lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to purchase an asset of a similar value to the right of use asset in a similar economic environment.

Lease payments (excluding payments for short-term, low-value and variable consideration leases), previously expensed within EBIT on a straight-line basis, now reduce the lease liability. The straight-line depreciation of the right of use asset is now expensed within EBIT. As the lease liability is carried at present value, an interest expense arises over the duration of the lease term.

The principal component of lease payments is reclassified in the statement of cash flows from operating to financing activities.

ii) Transition

In adopting this standard, the opening lease liability balance has been determined as the present value of future lease payments discounted using applicable IBRs, for terms which approximate the remaining lease term as at 1 January 2019.

The opening right of use assets' balance has been determined as being equal to the opening lease liability.

The following practical expedients, allowed by the standard, were used:
- exclusion of leases with remaining terms of less than 12 months, from the new accounting requirements.
- application of a single discount rate to each portfolio of leases with reasonably similar characteristics.
- use of hindsight to determine the lease term for leases that include options to extend or terminate the lease.

The weighted average IBR applied to lease liabilities on 1 January 2019 was 4.3%.

Determination of the lease term is a key judgement exercised by management on a recurring basis. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Paradise Beverages (Fiji) Limited and its subsidiary
for the year ended 31 December 2019

b) Financial impacts
The impacts on the financial statements and Notes as at and for the year ended 31 December 2019 are shown throughout this report. At the date of transition, the new standard resulted in the following increases:

	$
Balance sheet as at 1 January 2019	
Right of use assets	754,282
Lease liabilities	(754,282)

A reconciliation of total operating lease commitments as at 31 December 2018 (as disclosed in our 2018 financial report) to the opening lease liability, as above, is shown below:

	$
Opening lease liability reconciliation	
Operating lease commitments as at 31 December 2018 payable[1]	
- within one year	310,707
- later than one year but not later than five years	739,047
- later than five years	899,942
	1,949,696
Impact of discounting	(588,890)
Other factors	(606,524)
Lease liability as at 1 January 2019	754,282

	$
Income statement (continuing operations) for the year ended 31 December 2019	
Operating lease expenses (previous lease accounting)[2]	169,190
Depreciation of right of use assets [2]	(152,397)
EBIT	16,793
Net finance costs	(25,589)
Profit before income tax	(8,796)
Income tax expense	880
Profit for the year	(7,916)

[1] *Represents the undiscounted sum of committed future lease payments.*

[2] *Under the previous standard, operating lease expenses were recognised within EBIT. Under the new standard, lease expenses are recognised in the income statement and comprise depreciation of right of use assets recognised within EBIT and interest expenses arising from lease liabilities recognised within net finance costs.*

For further details regarding additions, depreciation and other movements in right of use assets refer to Note 8 a.

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 Notes 7 and 9;
- Impairment testing, refer to Note 10; and
- Income tax and deferred tax, refer to Note 11.

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 entities 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.

PRINCIPLES OF CONSOLIDATION (continued)

Non-controlling interests (NCIs)

The Group measures NCIs at their proportionate share of the subsidiary's identifiable net assets, profit/(loss)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 1.2200:1 (2018: 1.2162:1) while the average rate used to translate revenue and expense accounts was 1.2170:1 (2018: 1.2220:1).

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 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 2019 and year ended 31 December 2018.

	Samoa	Fiji	Inter-segment eliminations	Total
	$	$	$	$
As at 31 December 2019				
Revenue				
Segment revenue	**21,393,886**	**82,389,425**	**(85,819)**	**103,697,492**
Results				
(Loss)/Profit from operating activities	(13,888,664)	11,497,029	3,736,970	**1,345,335**
Finance costs	(256,675)	(25,616)	-	**(282,291)**
(Loss)/Profit before income tax	**(14,145,339)**	**11,471,413**	**3,736,970**	**1,063,044**
Income tax credit/(expense)	3,769,563	(1,564,778)	(762)	**2,204,023**
Net (loss)/profit	**(10,375,776)**	**9,906,635**	**3,736,208**	**3,267,067**
Assets and liabilities				
Segment assets	26,304,817	151,279,182	(15,925,155)	**161,658,844**
Total assets	**26,304,817**	**151,279,182**	**(15,925,155)**	**161,658,844**
Segment liabilities	10,301,441	17,582,610	(2,429,888)	**25,454,163**
Total liabilities	**10,301,441**	**17,582,610**	**(2,429,888)**	**25,454,163**
Other segment information				
Capital expenditure:				
• Tangible fixed assets	717,205	15,786,644	-	16,503,849
Amortisation of intangible assets	-	(264,411)	-	(264,411)
Depreciation	(4,794,334)	(5,369,035)	-	(10,163,369)
Depreciation - right of use assets	-	(152,397)	-	(152,397)
Doubtful and bad debts	(1,052,231)	(170,000)	-	(1,222,231)
Impairment of investment in subsidiary	-	(3,772,510)	3,772,510	-
Impairment of property, plant and equipment	(7,325,797)	-	1,554,908	(5,770,889)
Impairment of goodwill	-	-	(1,554,908)	(1,554,908)

1 SEGMENT REPORTING (continued)

(a) Geographical segments (continued)

	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	(18,557,132)	**162,249,501**
Total assets	**38,736,002**	**142,070,631**	**(18,557,132)**	**162,249,501**
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)

(b) Secondary reporting - Business segments

	Net external revenue	
	2019	2018
	$	$
Beer	57,234,527	63,616,290
Spirits	7,441,996	8,990,408
Soft drinks	11,165,120	9,871,276
Other	27,855,849	23,406,770
Group total	**103,697,492**	**105,884,744**

2 REVENUE

	Net external operating revenue	
	2019	**2018**
	$	**$**
2.1 Revenue		
Sale of products	196,860,058	204,455,633
Excise and other duties and taxes	(93,162,566)	(98,570,889)
	103,697,492	**105,884,744**
2.2 Other operating revenue		
Bad debt recovery	265,947	–
Foreign exchange gain	469,648	517,396
Gain on disposal of property, plant and equipment	127,615	–
Insurance progress claim – Paradise Beverages Administration building office fire	616,066	–
Returnable pallets customer deposits forfeited	311,505	–
Other revenue	218,257	421,786
Total other operating revenue	**2,009,038**	**939,182**
Total revenue	**105,706,530**	**106,823,926**

RECOGNITION AND MEASUREMENT

Revenue

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.

3 EXPENSES

	Notes	2019	2018
		$	$
3.1 Selling and distribution expenses			
Advertising and promotion		4,859,140	4,136,310
Employee related costs [1]		3,983,558	3,637,229
Sales, marketing and distribution [2]		7,370,372	5,786,470
Total selling and distribution expenses		**16,213,070**	**13,560,009**
3.2 Administrative expenses			
Auditor's remuneration – audit fees		72,259	84,668
Auditor's remuneration – other accounting services		9,028	18,431
Depreciation and amortisation		649,736	451,115
Directors' fees		19,333	27,138
Doubtful debts		1,222,231	213,123
Employee related costs [3]		5,208,314	5,050,009
Insurance		692,281	602,330
Internal audit		113,969	-
Management fees		178,741	240,318
Restructuring stock write-offs		1,495,201	-
Unrealised foreign exchange loss		1,771	25,956
Other operating expenses [4]		2,387,639	2,632,111
Total administrative expenses		**12,050,503**	**9,345,199**
3.3 Impairment			
Impairment of property, plant and equipment	7	5,770,889	-
Impairment of goodwill	9	1,554,908	-
Total impairment		**7,325,797**	-
3.4 Finance costs			
Interest on bank overdrafts		256,702	287,422
Lease finance costs		25,589	-
Total finance costs		**282,291**	**287,422**

[1] *2018 comparative figure previously read $3,252,910. Comparative restated due to change in definition of Employee related costs.*
[2] *2018 comparative figure previously read $6,170,789. Comparative restated due to change in definition of Employee related costs.*
[3] *2018 comparative figure previously read $4,282,744. Comparative restated due to change in definition of Employee related costs.*
[4] *2018 comparative figure previously read $3,399,376. Comparative restated due to change in definition of Employee related costs.*

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 12a and 13b 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)

Paradise Beverages (Fiji) Limited and its subsidiary
for the year ended 31 December 2019

4 DIVIDENDS

	2019	2018
	$	$
Declared and paid in period:		
Final dividend paid at 50¢ per share (2018: final dividend of 40¢ per share)	5,204,063	4,163,250

5 EARNINGS PER SHARE

	2019	2018
	$	$
Operating profit after income tax	3,267,067	12,213,310
Weighted average number of shares on issue	10,408,125	10,408,125
Basic earnings per share (cents)	0.31	1.17

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

Paradise Beverages (Fiji) Limited and its subsidiary
for the year ended 31 December 2019

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:

	Notes	2019	2018
		$	$
Working capital	6	37,612,168	49,643,992
Property, plant and equipment	7	84,403,483	83,723,482
Right of use assets	8	565,155	-
Intangible assets	9	8,430,348	10,166,877
Current and deferred tax assets/(liabilities)	11b	518,571	(3,403,183)
Other liabilities	12	(4,393,490)	(3,550,823)
Capital - Financing	Sec III	**127,136,235**	**136,580,345**

6 WORKING CAPITAL

	Notes	2019	2018
		$	$
Trade and other receivables	6a	24,356,062	27,987,799
Inventories	6b	30,330,113	34,328,127
Trade and other payables	6c	(17,074,007)	(12,671,934)
		37,612,168	**49,643,992**

6a TRADE AND OTHER RECEIVABLES

	Notes	2019	2018
		$	$
Trade receivables		20,701,285	23,773,107
Provision for impaired receivables		(2,044,077)	(824,555)
		18,657,208	**22,948,552**
Other Receivables:			
Related parties	17e	1,033,494	814,256
Other		4,665,360	4,224,991
		24,356,062	**27,987,799**
Movements in the provision for impaired receivables			
Balance at beginning of the year		(824,555)	(609,270)
Increase in provisions		(1,222,231)	(213,123)
Translation differences		2,709	(2,162)
Balance at end of the year		**(2,044,077)**	**(824,555)**
Trade receivables past due but not impaired			
At balance dates, the ageing analysis of trade receivables is as follows:			
Current		9,007,790	11,425,915
0-30 days		1,727,638	1,702,448
30-60 days		4,131,713	6,426,941
60+ days		3,790,067	3,393,248
		18,657,208	**22,948,552**

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 15b) iii) on credit risk of trade and other receivables. For details of related party receivables included in trade and other receivables, refer to Note 17. 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
Soft Drinks	30 days
Export alcoholic beverages	30 – 60 days

6b INVENTORIES

	2019	2018
	$	$
Raw materials and engineering stores	16,393,613	20,323,682
Work in progress	10,935,349	10,196,621
Finished goods	4,488,219	4,790,801
	31,817,181	**35,311,104**
Provision for impaired inventories	(1,487,068)	(982,977)
	30,330,113	**34,328,127**
Movements in the provision for impairment of inventories were as follows:		
Balance at beginning of the year	(982,977)	(685,241)
Charge for the period	(1,490,786)	(1,052,358)
Utilised	982,968	759,039
Translation differences	3,727	(4,417)
Balance at end of the year	**(1,487,068)**	**(982,977)**

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

	Notes	2019	2018
		$	$
Trade payables		5,103,865	3,723,640
Related parties	17e	3,766,235	2,082,566
Unclaimed dividends		559,136	523,072
Accruals and other creditors		7,644,771	6,342,656
		17,074,007	**12,671,934**

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 17.

7 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings and improvements	Plant, furniture and motor vehicles	Property, plant and equipment under construction	Total
31 December 2019	**$**	**$**	**$**	**$**	**$**
Cost	3,201,283	22,414,878	146,657,397	11,536,957	183,810,515
Accumulated depreciation and impairment	-	(9,086,080)	(90,320,953)	-	(99,407,033)
	3,201,283	**13,328,798**	**56,336,444**	**11,536,957**	**84,403,482**
Movement:					
At 1 January 2019	3,207,082	12,186,139	54,622,094	13,708,167	83,723,482
Additions	-	-	-	16,421,059	16,421,059
Disposals	-	(467,759)	(64,065)	-	(531,824)
Depreciation expense	-	(632,397)	(9,530,972)	-	(10,163,369)
Impairment[1]	-	-	(5,770,889)	-	(5,770,889)
Reclassification/transfers	-	2,254,378	17,101,221	(18,595,081)	760,518
Net foreign currency and other movements	(5,799)	(11,563)	(20,945)	2,813	(35,494)
At 31 December 2019	**3,201,283**	**13,328,798**	**56,336,444**	**11,536,958**	**84,403,483**
31 December 2018					
Cost	3,207,082	20,675,803	133,163,249	13,708,167	170,754,301
Accumulated depreciation and impairment	-	(8,489,664)	(78,541,155)	-	(87,030,819)
	3,207,082	**12,186,139**	**54,622,094**	**13,708,167**	**83,723,482**
Movement:					
At 1 January 2018	3,196,644	12,254,775	55,398,225	16,226,939	87,076,583
Additions[2]	-	-	-	6,851,343	6,851,343
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[3]	-	-	-	(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**	**13,708,167**	**83,723,482**
1 January 2018					
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**

[1] *Impairment on non-performing plant & machinery as well as adjustment for the estimated bottles and crates on hand and with customers.*

[2] *2018 comparatives have been restated by $1,140,525 to reclassify costs related to Microsoft Dynamics AX Enterprise Resource Planning implementation project software to Intangible Assets. Previously read $7,991,868.*

[3] *Relates to WDV of assets destroyed in Administration office building fire being claimed against insurance.*

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. There were no impairment indicators associated with the Fijian business of the Group. However, due to impairment indicators associated with the Group's Samoan business, an impairment test was performed to determine the recoverable amount of the business as a separate Cash Generating Unit (CGU). The recoverable amount was supported by the Fair Value less Costs to Sell (FVLCS) of the CGU's non-monetary assets as determined by an independent valuer and management's estimates. The assessed recoverable amount indicated that there was an impairment loss associated with the Samoan business. The company allocated the estimated impairment loss to the associated goodwill (refer to Note 10) with the remainder applied to plant and equipment of $5,770,889. As part of the exercise, the Group also made adjustments for estimated bottles and crates in circulation with customers.

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.

8 LEASES

8a RIGHT OF USE ASSETS

The Group enters non-cancellable leases on properties. Lease terms vary in length and generally, when approaching expiry, are either extended at the option of the Group or are renegotiated. Our leases mainly relate to properties in Fiji.

	Property
	$
31 December 2019	
Cost	717,552
Accumulated depreciation and impairment	(152,397)
	565,155
Movement:	
Opening balance on adoption of IFRS 16	754,282
Depreciation expense	(152,397)
Other movements	(36,730)
At 31 December 2019	**565,155**

8 LEASES (continued)

8b LEASE LIABILITIES

	Total
	$
Movement:	
Opening balance on adoption of IFRS 16	754,282
Interest	25,589
Repayments	(169,375)
Other movements	(36,730)
At 31 December 2019	**573,766**
Current liabilities	137,732
Non-current liabilities	436,034
31 December 2019	**573,766**

8c SHORT TERM, LOW VALUE AND VARIABLE LEASES

As allowed by the Standard, there is no change to the recognition and measurement of short-term, low asset value and variable leases. Short term leases are those with terms equal to or less than 12 months and low asset value leases mainly include small office equipment like printers & photocopiers. The amounts recognised in EBIT for these leases are:

	Total
	$
Lease type	
Short-term	45,300
Low-value	14,250
Variable	-

Short-term leases

These mainly comprise of property leases having the lease term of 12 months or less.
The total cash outflow for leases (including short-term, low-value and variable leases) in 2019 was $228,925.
For details on the overall transition methodology and implementation of IFRS 16 Leases by the Group, please refer to pages 26 and 27.

9 INTANGIBLE ASSETS

	Indefinite lives		Definite lives			
	Brand names and trademark	Goodwill	Brand names and trademarks	Software development and other assets	Intangible assets works in progress	Total
	$	$	$	$	$	$
31 December 2019						
Cost	520,000	1,554,908	7,766,976	1,212,904	10,411	11,065,199
Accumulated amortisation and impairment	-	(1,554,908)	(970,872)	(109,071)	-	(2,634,851)
	520,000	**-**	**6,796,104**	**1,103,833**	**10,411**	**8,430,348**
Movement:						
At 1 January 2019	520,000	1,554,908	6,951,444	-	1,140,525	10,166,877
Additions	-	-	-	-	82,790	82,790
Reclassification/transfers	-	-	-	1,212,904	(1,212,904)	-
Amortisation expense	-	(1,554,908)	(155,340)	(109,071)	-	(1,819,319)
At 31 December 2019	**520,000**	**-**	**6,796,104**	**1,103,833**	**10,411**	**8,430,348**

9 INTANGIBLE ASSETS (continued)

	Indefinite lives		Definite lives			
	Brand names and trademark	Goodwill	Brand names and trademarks	Software development and other assets	Intangible assets works in progress	Total
	$	$	$	$	$	$
31 December 2018						
Cost	520,000	1,554,908	7,766,976	-	1,140,525	9,841,884
Accumulated amortisation and impairment	-	-	(815,532)	-	-	(815,532)
	520,000	**1,554,908**	**6,951,444**	**-**	**1,140,525**	**10,166,877**
Movement:				-		
At 1 January 2018	520,000	1,554,908	7,106,784	-	-	9,181,692
Additions	-	-	-	-	1,140,525	1,140,525
Amortisation expense	-	-	(155,340)	-	-	(155,340)
At 31 December 2018	**520,000**	**1,554,908**	**6,951,444**	-	**1,140,525**	**10,166,877**
1 January 2018						
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**

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.

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.

10 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:

	2019	2018
	$	$
Goodwill	1,554,908	1,554,908
Impairment of goodwill	(1,554,908)	-
Brand names	520,000	520,000
	520,000	**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 recoverable amount is the higher of the Fair Value less Costs to Sell (FVLCS) of the CGU and the Value in Use (VIU). 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 by an estimated weighted average cost of capital of 11.3% (2018: 10.8%) and using the terminal growth rates of 3% (2018: 4%). The FVLCS value is determined by reference to independent valuations of non-monetary assets included in the CGU and management assessment of the other related assets of the CGU.

Due to the losses recorded by Samoa Breweries Limited, the Group performed an impairment test of that business as a separate CGU. The CGU's recoverable amount was supported by the FVLCS of its non-monetary assets and fair value of its working capital assets. The assessed recoverable amount of the CGU indicated that the carrying amount of goodwill, plant and equipment related to the Samoan business was impaired. Based on the impairment test, the Group wrote down the entire goodwill associated with the Samoan business of $1,554,908 with the remainder applied to plant and equipment (refer to Note 7).

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.

11 INCOME TAX

11a INCOME TAX EXPENSE

	2019	2018
	$	$
Accounting profit before income tax	1,063,044	12,649,115
Prima facie tax thereon at the Fiji rate of 10%	106,304	1,264,912
Tax rates differential on overseas income	(2,404,708)	(843,223)
Non-deductible expenses	118,833	104,728
Over provision from prior period	(24,452)	(90,612)
Income tax attributable to operating profit	**(2,204,023)**	**435,805**
Consolidated income statement		
Current income tax:		
Current income tax charge	1,465,482	1,690,798
Adjustments in respect of prior period	(96,121)	(66,926)
Deferred income tax:		
Origination and reversal of temporary differences	(3,645,053)	(1,164,381)
Adjustment in respect of prior period	71,669	(23,686)
Income tax (credit)/expense	**(2,204,023)**	**435,805**

11 INCOME TAX (continued)

11b CURRENT AND DEFERRED TAX ASSETS/(LIABILITIES)

	2019	2018
	$	$
Current tax assets	942,575	827,271
Current tax liabilities	(46,906)	(280,658)
Deferred tax liabilities	(377,098)	(3,949,796)
	518,571	**(3,403,183)**
Deferred income tax liabilities recognised in the balance sheet relate to the following:		
Provision for doubtful debts	447,029	146,658
Provision for employee entitlements	514,971	441,050
Provision for stock obsolescence	397,093	210,041
Tax losses	1,635,945	878,854
Accelerated depreciation	(4,313,749)	(4,300,000)
Amortised value of used bottles	(1,041,612)	(1,335,198)
Impairment of non-performing plant and machinery and estimated bottles and crates in circulation	1,977,965	-
Unrealised exchange (loss)/gain	(1,800)	4,591
Unrealised profit in stock	3,445	4,208
Leases	861	-
Equity compensation reserve	2,754	-
Net deferred tax liability	**(377,098)**	**(3,949,796)**

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.

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.

12 OTHER ASSETS/(LIABILITIES)

	Notes	2019	2018
		$	$
Prepayments		635,707	610,753
Employee benefits provisions – current and non-current	12a	(5,029,197)	(4,161,576)
		(4,393,490)	**(3,550,823)**

12a EMPLOYEE BENEFITS PROVISIONS

	2019	2018
	$	$
Current	3,416,768	2,494,424
Non-current	1,612,429	1,667,152
	5,029,197	**4,161,576**

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

III CAPITAL – FINANCING

Paradise Beverages (Fiji) Limited and its subsidiary
for the year ended 31 December 2019

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

	Notes	2019	2018
		$	$
Equity	13	136,204,681	138,133,851
Net debt	14	(9,068,446)	(1,553,506)
		127,136,235	**136,580,345**

13 EQUITY

	Notes	2019	2018
		$	$
Share capital	13a	6,734,250	6,734,250
Reserves		6,412,121	6,400,909
Retained earnings		122,074,103	123,372,986
Non-controlling interests		984,207	1,625,706
		136,204,681	**138,133,851**

13a SHARE CAPITAL

As at the end of the financial year, the number of fully paid ordinary shares for 2019 and 2018 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.

	2019	2018
	$	$
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.

13b 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.

14 NET DEBT

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December 2019 and 31 December 2018:

	Notes	2019	2018
		$	$
Cash at bank and short-term deposits		11,990,436	4,601,232
Cash on hand		4,965	3,960
Cash and cash equivalents		11,995,401	4,605,192
Less: Interest bearing liabilities - Bank overdraft	14a	(2,353,189)	(3,051,686)
Net cash and cash equivalents		9,642,212	1,553,506
Less: Interest bearing liabilities – Lease liabilities	8b	(573,766)	-
Net debt		**9,068,446**	**1,553,506**

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.

14a INTEREST BEARING LIABILITIES

Country	Current	Maturity	Effective interest rate%	2019	2018
				$	$
Samoa	Bank o/d	On demand	8.50%	2,353,189	3,051,686
				2,353,189	**3,051,686**

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.

15 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;
   - ii) cash and cash equivalents and deposits;
   - iii) trade and other receivables; and
   - iv) 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 2019, the interest rate was 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 2019	+100	1,961
	-100	(1,961)
31 December 2018	+100	2,543
	-100	(2,543)

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.

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.

15 FINANCIAL RISK MANAGEMENT (continued)

b) Other financial risks (continued)

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 14) on the basis of expected cash flow.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2019 and year ended 31 December 2018 based on contractual undiscounted payments.

	2019	2018
	$	$
Trade and other payables		
- Less than 12 months	17,074,007	12,671,934
Lease liabilities		
- Less than 12 months	137,732	n/a
- Between 2 to 5 years	17,800	n/a
- More than 5 years	418,234	n/a

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 2018, was to maintain a minimum gearing ratio. The gearing ratio at 31 December 2019 was (7.1)% (31 December 2018: (1.1)%).

	2019	2018
	$	$
Interest bearing liabilities	2,353,189	3,051,686
Lease liabilities	573,766	-
Less: cash and short term deposits	(11,995,401)	(4,605,192)
Net debt	(9,068,446)	(1,553,506)
Equity	136,204,681	138,133,851
Total capital	136,204,681	138,133,851
Capital and net debt	**127,136,235**	**136,580,345**
	%	%
Gearing ratio	**(7.1)**	**(1.1)**

16 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.

17 RELATED PARTIES

a) Directors' fee and emoluments

Amounts 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 (2018: 9,325,000) ordinary shares in Paradise Beverages (Fiji) Limited, representing 89.59% (2018: 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:

	2019	2018
	$	$
Parent company – Coca-Cola Amatil (Fiji) Pte Ltd		
- Sales	(5,725)	(17,208)
- Purchases	814,720	604,805
- Expense recharges (net)	42,205	188,713
- Capital recharges (net)	7,583	794,058
	858,783	1,570,368
Coca-Cola Amatil (Aust) Pty Ltd		
- Sales	(1,411,246)	(2,369,362)
- Purchases	135,699	-
- Expense recharges (net)	2,043,200	12,549
- Capital recharges (net)	7,001	267,304
	774,654	(2,089,509)
Ultimate parent company – CCA		
- Expenses recharges (net)	1,378,054	1,043,265
- Management fees	178,741	243,519
- Capital recharges (net)	-	27,575
- Insurance claim	(1,667,995)	-
	(111,200)	1,314,359
Coca-Cola Amatil (NZ) Ltd		
- Purchases	285,943	259,269
- Expense recharges (net)	29,156	1,635
- Capital recharges (net)	688,349	712,485
	1,003,448	973,389
Pacific Refreshments Ltd		
- Purchases	1,550,562	1,114,266
The Coca-Cola Company		
- Rebate recharges	(113,582)	(44,166)

e) Related (payables)/receivables

	2019	2018
	$	$
Coca-Cola Amatil (Fiji) Pte Limited	(526,055)	(685,606)
Pacific Refreshments Pty Limited	(627,067)	(672,295)
Coca-Cola Amatil (NZ) Limited	(892,044)	(156,814)
Coca-Cola Amatil Limited	-	(567,851)
Coca-Cola Amatil (Aust) Pty Ltd	(1,721,069)	-
Related party payables	(3,766,235)	(2,082,566)

V OTHER INFORMATION (continued)

Paradise Beverages (Fiji) Limited and its subsidiary
for the year ended 31 December 2019

17 RELATED PARTIES (continued)

e) Related (payables)/receivables (continued)

	2019	2018
	$	$
Coca-Cola Amatil (Fiji) Pte Limited	1,355	-
Coca-Cola Amatil Limited	1,019,531	-
Coca-Cola Amatil (Aust) Pty Ltd	-	808,535
The Coca-Cola Company	12,608	5,721
Related party receivables	1,033,494	814,256
Net related party (payables)	**(2,732,741)**	**(1,268,310)**

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.

	2019	2018
	$	$
Compensation to key management personnel:		
- Short term benefits	3,249,911	3,106,476
- Share-based payments	50,596	54,116

There are no other benefits available for key management personnel.

18 PARENT COMPANY - PARADISE BEVERAGES (FIJI) LIMITED DISCLOSURES

	2019	2018
	$	$
a) FINANCIAL POSITION		
Current assets	57,492,720	53,996,625
Non-current assets	93,786,462	88,074,006
Total assets	**151,279,182**	**142,070,631**
Current liabilities	14,668,376	10,803,575
Non-current liabilities	2,914,234	2,335,977
Total liabilities	**17,582,610**	**13,139,552**
Net assets	**133,696,572**	**128,931,079**
Equity		
Share capital	6,734,250	6,734,250
Reserves	315,220	252,301
Retained earnings	126,647,102	121,944,528
Total equity	**133,696,572**	**128,931,079**
b) FINANCIAL PERFORMANCE		
Profit for the year	9,906,635	15,825,645
Total comprehensive income for the year	9,906,635	15,825,645

19 COMMITMENTS AND CONTINGENT LIABILITIES

	2019	2018
	$	$
(a) Capital expenditure commitments	2,612,792	-

Commitments relate to planned capital projects at the Fiji Brewery site to be utilised in the next financial year.

	2019	2018
	$	$
(b) 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 impact on the Group results.

20 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 424 employees (Group: 595 employees).

21 SIGNIFICANT EVENT

During the year impairment of $7,325,797 (2018: nil) on goodwill and non-performing plant & machinery as well as adjustments for the estimated bottles and crates on hand and with customers was recognised for Samoa Brewery Limited.

22 SUBSEQUENT EVENTS

Subsequent to year-end, the World Health Organisation (WHO) declared the coronavirus (Covid 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the national governments of Fiji, Samoa and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of these financial statements is not expected to be material.

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 2019:

   i. give a true and fair view of the financial position of the company and the Group as at 31 December 2019 and of the performance of the company and the Group for the year ended 31 December 2019;

   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.

Betty Ivanoff
Chairperson

20th March 2020

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 2019, 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
Suva, Fiji

Steven Pickering
Ernst & Young
Chartered Accountants
Level 7, Pacific House
1 Butt Street
Suva, Fiji

20 March 2020

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

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

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 2019, the consolidated statement of 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 2019, 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 and pre-approved non-audit services, we have no relationship with, or interest in, the Group. Partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

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.

Carrying value of Samoa Breweries Limited's ("SBL") assets

Why significant	How our audit addressed the key audit matter
The trading performance of SBL has deteriorated in recent years. As a result, as explained in Note 7, the Directors and management have considered whether there is an impairment of company's property, plant and equipment and other non-current assets. In assessing whether there is impairment, the Directors and management are required to assess the recoverable value of the relevant assets/business. Recoverable amount is the higher of the value from continued use of the assets in the business (value in use) or their expected proceeds from sale (fair value less costs to sell, "FVLCS"). In performing this assessment, management determined that FVLCS of the relevant assets was higher than their value in use, given the loss-making position of SBL. Management's assessment of the potential impairment, and so the FVLCS of SBL's assets, required significant judgement in assessing estimated resale values, which were either provided by an independent external valuer or based on management's estimates. Management's assessment resulted in a recorded impairment loss of $7.3 million, apportioned between property, plant and equipment of $5.8 million and goodwill of $1.5 million.	In obtaining sufficient appropriate audit evidence: ▶ We assessed the appropriateness of management's use of FVLCS to estimate the fair value of the relevant SBL assets; ▶ We used our own valuation specialists to assess the appropriateness of the methodology utilised by the external valuer; ▶ We performed sensitivity analysis on the valuation of land and buildings based on our knowledge of the real estate market in Samoa; ▶ We evaluated the independent external valuer's competence, capabilities and objectivity; ▶ We considered the potential impact of reasonably possible changes in the key assumptions used by management and the external valuer; ▶ We considered management's methodology for assessing impairment of other assets not valued by the external valuer; and ▶ We assessed the appropriateness of the disclosures included in Note 7 to the financial statements.

Building a better working world

INDEPENDENT AUDIT REPORT CONTINUED

Key Audit Matters continued

Impairment assessment of intangible assets other than goodwill

Why significant	How our audit addressed the key audit matter
As at 31 December 2019, intangible assets relating to brand names, trademarks and software costs amount to \$8.4m. As disclosed in Notes 9 and 10 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. Management did not identify any other specific impairment indicators of these intangible assets and so assessed the recoverable value of the entire CGU to which the brand names and other assets relate.	In obtaining sufficient appropriate audit evidence: ► We assessed whether the impairment methodology used by the Directors and management met the requirements of IAS 36; ► We tested whether the impairment model used by the Group to assess the value of the CGU was 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. We also considered these forecasts taking into account our knowledge of the business and the sectors to which the brands relate. We 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; and ► We considered the adequacy of the financial report disclosures contained in Notes 9 and 10 taking into account the requirements of relevant accounting standards.

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

The Directors and management are responsible for other information. The other information comprises the information in the Group's Annual Report for the year ended 31 December 2019, 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 Directors and management for the Consolidated Financial Statements

The Directors and management 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 Directors and management 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 Directors and management 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 Directors and management either intend to liquidate the Group to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDIT REPORT CONTINUED

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 the Directors and management.

- Conclude on the appropriateness of the Directors' and management's 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 the Directors and management 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.

From the matters communicated with the Directors and management, 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.

INDEPENDENT AUDIT REPORT CONTINUED

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
Suva, Fiji

Steven Pickering
Ernst & Young
Chartered Accountants
Level 7, Pacific House
1 Butt Street
Suva, Fiji

20 March 2020

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 2019 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 Schedule of Security Holders

No. of Shareholders	Shareholding	Total Percentage Holding
337	0 - 500	0.73%
280	501 - 5,000 shares	4.22%
13	5,001 - 10,000 shares	0.84%
5	10,001 - 20,000 shares	0.64%
3	20,001 - 30,000 shares	0.75%
0	30,001 - 40,000 shares	0.00%
0	40,001 - 50,000 shares	0.00%
2	50,001 - 100,000 shares	1.51%
1	100,001 - 1,000,000 shares	1.73%
1	over 1,000,000 shares	89.59%

(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 51.2 (x)

	2019
	F$
Samoa Breweries Limited	
Turnover	21,393,886
Other income	463,306
	21,857,192
Depreciation	(4,794,334)
Impairment	(7,325,797)
Other expenses	(23,625,725)
Interest	(256,675)
Income tax credit	3,769,563
	(32,232,968)
Net loss after tax	(10,375,776)
Assets	26,304,817
Liabilities	(10,301,441)
Shareholders' Funds	16,003,376

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) 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 >	87,685	0.84%
Pravin Patel	69,310	0.67%
PatelKhatri Investments (Fiji) Ltd	29,403	0.28%
Graham Eden	24,740	0.24%
BSP Life (Fiji) 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%
Beverley Ann Muir	6,875	0.07%
J Santa Ram (Stores) Limited	6,500	0.06%
Captain Edward P Barratt	6,250	0.06%
Edward V Palad F/N Palad	6,250	0.06%
Krishneel Satya Maharaj	6,250	0.06%
	9,864,501	94.78%*

* Rounded to 2 decimal places

(f) Five year financial history

	2019	2018	2017	2016	2015
	$000	$000	$000	$000	$000
Net profit	3,267	12,213	14,738	13,492	12,361
Assets	161,659	162,250	158,411	144,660	130,792
Liabilities	25,454	24,116	28,471	26,192	22,457
Equity	136,205	138,134	129,940	118,468	108,335

Dividend per share	$0.50
Earnings per share	$0.31
Net tangible assets per share	$12.13
Highest market price per share	$15.05
Lowest market price per share	$12.90
Market price per share at end of financial year	$14.86

SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS (continued)

(g) Board meeting attendance – section 51.2 (viii)

Directors	28 March 2019	28 May 2019	28 August 2019	17 December 2019
George Forster (resigned on 1 May 2019)	✓	n/a	n/a	n/a
Cecil Browne	✓	✓	✓	✓
Gardiner Whiteside	✓	✓	✓	✓
Shane Richardson (resigned on 31 October 2019)	✓	✓	n/a	n/a
Alex Nario (resigned on 1 May 2019)	✓	n/a	n/a	n/a
Elizabeth McNamara (resigned on 8 November 2019)	✓	✓	✓	n/a
Betty Ivanoff (appointed on 1 May 2019)	n/a	✓	✓	✓
David Browning (appointed 1 May 2019 and resigned on 8 November 2019)	n/a	n/a	✓	n/a
Chris Litchfield (appointed on 8 November 2019)	n/a	n/a	n/a	✓
Roger Hare (appointed on 8 November 2019)	n/a	n/a	n/a	✓

ANNEXURE P: ANNUAL COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of Listed Entity: Paradise Beverages (Fiji) Limited
For the Financial Year ended on: 31 December 2019

Principle	Requirement	Compliance Status
1. Establish clear responsibilities for board oversight	Separation of duties: Clear separation of duties between Board and Senior Management.	The Board has delegated responsibility for operating and administering the Company to the Management of the Company led by General Manager Pacific Operations, PBF. The General Manager, Pacific Operations, PBF is accountable to the Board for the performance of these duties.
	Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board.	The PBF Board is responsible for the overall corporate governance of the Company. The PBF Board has adopted a Board Charter which can be accessed at http://www.paradisebeverages.com.fj
2. Constitute an effective Board	Board Composition: Balanced Board Composition with Executive and Non-Executive directors of which 1/3rd of total number of directors to be independent directors.	The PBF Board currently consists of five Directors comprising of: • Two Independent Non-Executive Directors; and • Three Non-Executive Directors who are also senior executives in the Coca-Cola Amatil Limited Group. Further details of the PBF Board Composition can be found on page 20 of the 2019 Annual Report.
	Gender Diversity: Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	PBF's Diversity and Inclusion Policy sets out a commitment to achieving diversity, including setting measurable diversity objectives within the business. Continuing this commitment, PBF is developing gender diversity objectives specific to the Board and setting a plan to achieve them.
	Nomination Committee: Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	The PBF Board Charter provides broad guidance on the composition and renewal of the PBF Board. In accordance with legislative requirements, at least one third of the Directors (or if their number is not 3 or a multiple of 3, then the nearest one third) shall retire from office at each Annual General Meeting (AGM). The retiring Directors shall be eligible for re-election at the AGM. Relevant details of the retiring Directors are included in the Notice of Meeting. While considering Board renewal, the Board considers Directors with a broad range of skills, knowledge, expertise and experience from a diverse set of backgrounds who can contribute to the success of PBF.
	Board Evaluation: Process of evaluation of performance of the Board, its Committees and individual directors. Evaluation to be linked to key performance indicators of the listed entity.	In accordance with the Board Charter, PBF has traditionally evaluated Board and director performance annually in a process led by the Chair. Recognising the ever increasing rate of change, and to drive responsiveness and immediacy of accountability, the Board has recently agreed to update the Charter to provide for a more regular evaluation process as described below: • At each meeting of the Board, a separate evaluation session is conducted, where the Board discusses the effectiveness and performance of management, the Company, the processes of the Board and the decision-making rhythms of the organisation. Suggestions for improvement and change are built into the formal matters arising of the Board. • In terms of evaluation of individual directors, the very composition of the Board, comprising independent and Coca-Cola Amatil appointed directors means this process works effectively and Coca-Cola Amatil ensures it has directors nominated to the Board who have diverse and relevant skills and experience, with rotations on a basis that is appropriate for the representation of our shareholders.
	Directors Training: Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.	Directors are provided access to a Board Resource Centre which acts as a Training and Education repository, which also contains updates on directors' duties and obligations from the retained law firms in the region. Similarly, the directors have briefing sessions with Accounting and law firms to discuss governance, accounting, disclosure and related matters.

ANNEXURE P: ANNUAL COMPLIANCE REPORT ON CORPORATE GOVERNANCE (continued)

Principle	Requirement	Compliance Status
2. Constitute an effective Board (continued)	Board Sub-committees: Board must have sub-committees which must at a minimum include - • Audit Committee; • Risk Management Committee; and • Nomination Committee/Recruitment Committee.	The Board has determined that, given the nature, composition and location of the Directors, the scope of all the relevant sub-committees are most effectively dealt with in the agendas of the full Board meetings.
3. Appointment of Chief Executive Officer/ Managing Director	CEO: To appoint a suitably qualified and competent Chief Executive Officer/ Managing Director.	The Board has appointed the General Manager, Pacific Operations, PBF (the GM). Reporting to the PBF Board, the GM was appointed by the Board with support from the PBF and Coca-Cola Amatil Human Resources Teams.
4. Appointment of a Board and Company Secretary	Company Secretary: Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.	The PBF Board approves the appointment of the PBF Company Secretaries. The PBF Company Secretaries ensures that statutory requirements and compliance (including continuous disclosure obligations), Board policy and procedures are followed as well as timely completion and dispatch of Board agenda and briefing materials.
5. Timely and balanced disclosure	Annual Reports: Timely and accurate disclosures are made in Annual reports as per Rule 51 of Listing Rules.	Annual Reports of the Company are compiled and prepared annually and contain salient and material information in accordance with the SPX Listing Rules and guidelines.
	Payment to Directors and Senior management: Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.	Remuneration of directors and senior management is appropriately disclosed in the Annual Report.
	Continuous Disclosure: General disclosures or company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.	PBF has a formal vetting and authorisation process for all company announcements which are made from time to time to the SPX, regulatory authorities and stakeholders. The Company Secretary, in conjunction with the General Counsel, provide guidance to the Board on matters that must be disclosed.
6. Promote ethical and responsible decision-making	Code of Conduct: To establish a minimum Code of Conduct of the listed entity applicable to directors, senior management and employees and conduct regular trainings on the same.	Being a subsidiary of Coca-Cola Amatil Limited, PBF follows the Amatil Group Code of Conduct. The Code of Conduct commits PBF Directors, employees, contractors and consultants to comply with the laws of the country in which it operates, also to conduct business with integrity, honesty and fairness in accordance with the highest ethical conduct as a supplier of alcoholic beverages.
7. Register of Interests	Conflicts of Interest: Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.	Employees are also required annually to disclose arrangements where potential conflicts may arise. A register of interests declared is maintained by the Company Secretary.
8. Respect the rights of shareholders	Communication with shareholders: To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.	Issues and concerns raised by shareholders at Annual General Meetings are fully discussed and responded by the Board. Throughout the year shareholders are invited to contact directors directly with any queries (either in writing or by phone), or may submit written questions to the Board via the Company Secretary.
	Website: To create and maintain a Website of the listed entity to communicate effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the Website.	Company's website located at http://www.paradisebeverages.com.fj
	Grievance Redressal Mechanism: To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.	Policy in place to address this. Policy can be accessed at http://www.paradisebeverages.com.fj
	Shareholders' Complaints: To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.	No complaints received during the year, but any issue raised is addressed with the shareholder.

ANNEXURE P: ANNUAL COMPLIANCE REPORT ON CORPORATE GOVERNANCE (continued)

Principle	Requirement	Compliance Status
8. Respect the rights of shareholders (continued)	Corporate Sustainability: To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social, economic, and environmental impacts.	The Company includes a Sustainability Report as part of the Annual Report.
9. Accountability and audit	Internal Audit: To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.	Coca-Cola Amatil's Group Risk team provides internal audit review and health checks of all PBF's entities, reporting to the PBF Board and also through Coca-Cola Amatil Board Audit & Finance Committee.
	External Audit: To appoint an external auditor who reports directly to the Board Audit Committee.	In accordance with the Company's Constitution , shareholders appoint the Company's external auditors at each Annual General Meeting. The role, responsibilities and reporting channels of the external auditors are clearly defined by the Board.
	Rotation of External Auditor: To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.	The senior partner of the Company's external auditor, Ernst & Young, rotates at least once every 3 years.
	Audit Committee: To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.	The PBF Board has agreed that the functions of the Audit Committee will be best served by the full Board. This is mainly due the size of the Board, the Board members demography and the logistics around convening the various meetings. The Senior Partner of the external audit firm attends Board meeting to present the external audit report.
10. Risk Management	Risk Management Policy: To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit committee, management and internal audit function.	The PBF Board has adopted a Risk and Assurance Framework together with supporting processes to oversee and manage risk. The processes to support the Framework are under ongoing review and include: • Risk management system that enables the identification, management and reporting of risk throughout the business. The system deals with risk at all levels, including strategic, operational, compliance and financial risks; • Crisis and incident management system that facilitates the reporting of all incidents to management and the escalation of potentially serious issues that may affect Pacific operations, brands or corporate reputation to more senior levels of management and appropriate corporate personnel. The system is designed to ensure that potentially critical issues are reported quickly and shared with the right people to enable PBF to implement an effective and timely response; • Regular reports by management to Directors, both oral and written, in addition to the compliance reporting program that covers financial standing, operating results and business risks to PBF; • Control Self-Assessment process whereby relevant staff assess the effectiveness of controls in the processes and systems they are responsible for administering in a fashion that assists the provision of the annual declaration; • Clearly defined organisation structure with approved authority limits; • Annual budgeting and monthly reporting systems for Pacific businesses which enable progress against strategy and annual plan to be monitored, trends to be evaluated and variances addressed; • Procedures relating to capital expenditure, asset and liability management; • Policies to manage financial risks; • Appropriate due diligence procedures for corporate acquisitions and disposals;

ANNEXURE P: ANNUAL COMPLIANCE REPORT ON CORPORATE GOVERNANCE (continued)

Principle	Requirement	Compliance Status
10. Risk Management (continued)		• Risk engineering program that is aimed at reducing the risk of damage to property and interruption to business activities; and • Comprehensive Pacific wide insurance program.
	Whistleblower Policy: As part of risk management strategy, establish a Whistleblower Policy by creating a mechanism of reporting concerns of unethical behavior, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act. [Refer Rule 68 of the Listing Rules]	Being a subsidiary of Coca-Cola Amatil Limited, PBF follows the Amatil Group Whistleblower Policy and has available an independent external third party hosted whistleblower hotline and reporting service.

Our Brands

Our Beers

Fiji Bitter Beer

Fiji Gold Beer

Fiji Gold with a twist of Moli

VONU PURE LAGER FIJI ISLANDS

VONU PURE LAGER FIJI ISLANDS

Vailima

Our RTD's

tribe

Bounty WITH COLA

JOSKES BREW with Cola

SILI

MONI

Our Spirits

Bounty PREMIUM RUM

Czarina Imperial VODKA

REGAL Original LONDON DRY GIN

REGAL DELUXE WHISKY

RUM Co. of Fiji BATI | RATU FIJIAN RUM