THE PACKAGING SPECIALIST

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

ANNUAL REPORT

2018

19th September, 2018

Dear Shareholder

Subject: Service of documents viz., Notice of Meetings, Annual Report etc. through electronic mode

The new Companies Act, 2015 permits sending notice by electronic means (e-mail) as nominated by the Member (Section 143) and providing Annual Report to Members by publishing on a website if the Member consents in writing to access such report from a website instead of receiving a hard copy of the documents (Section 400).

Sending the notices and reports through electronic mode will definitely reduce paper consumption to a great extent in addition to allowing access to documents promptly and without loss in postal transit. Your Company is committed to contribute to a greener environment and we are sure that as a responsible shareholder, you too will support this initiative. We, therefore, seek your written consent to receive future Notice of Meetings and Annual Reports in electronic format and to have access to such documents published on the Company website : www.fmf.com.fj or on the South Pacific Stock Exchange website : www.spse.com.fj , instead of sending hard copy printed documents by filling in the form attached to this letter.

The completed form could be returned to us as follows:

a) Scanned and emailed to sandeepk@fmf.com.fj ; or
b) Posted / Hand delivered to the address noted below :

The Company Secretary
Atlantic & Pacific Packaging Company Limited
P.O.Box 977, Leonidas Street
Walu Bay
Suva

In case you have already sent your consent in the above regard to the Company, you need not send this consent again.

If you do not wish to switch over, to the environmentally friendly mode of receiving notice and annual reports by electronic means, no action from you is required to this letter.

Best regards

Sandeep Kumar
Company Secretary

CONSENT FOR RECEIVING NOTICES AND ANNUAL REPORT IN ELECTRONIC MODE

To

The Company Secretary
Atlantic & Pacific Packaging Company Limited
P.O.Box 977, Leonidas Street
Walu Bay
Suva

Dear Sir,

I/We shareholder (s) of Atlantic & Pacific Packaging Company Limited, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication, from time to time, in electronic mode and to have access to such documents published on the South Pacific Stock Exchange website : www.spse.com.fj or on the Company's website : www.fmf.com.fj

I/We request you to kindly register my/our below mentioned email id in the Company's records for sending such communication through e-mail.

Share Folio No. ___________________

Name of the Sole / First Shareholder :____

Name of the Joint Shareholders (if any) : ____

____

No. of shares held :____

E-mail id for receipt of documents
in electronic mode : ____

Date:

Place: Signature: _________________________

(Sole/ First Shareholder)

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

Contents

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

BOARD OF DIRECTORS

Mr.Rohit Punja - *Chairman & Executive Director*

Mr.Ram Bajekal - *Managing Director*

Mr.Gary Callaghan – *Independent Director*

Mr.Pramesh Sharma – *Non-Executive Director*

Mr.Ajai Punja - (*Alternate to Mr. Rohit Punja*)

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr.Sandeep Kumar

AUDITORS

PricewaterhouseCoopers,
Chartered Accountants,
Suva.

SOLICITORS

M/s Sherani & Co.

BANKERS

Australia and New Zealand Banking Group Limited

REGISTERED OFFICE

Lot 2, Leonidas Street,
Walu Bay, Suva.
Telephone: +679 330 1188   Fax: +679 330 0944
Email: sandeepk@fmf.com.fj

SHARE REGISTRAR AND SHARE TRANSFER AGENTS

Central Share Registry Limited
Level 2 Provident Plaza 1
FNPF Boulevard
33 Ellery Street, Suva.
Telephone: +679 330 4130 Fax: +679 330 4145
Email: registry@spse.com.fj

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting (AGM) of Atlantic & Pacific Packaging Company Limited will be held on Tuesday, October 30, 2018 at 3.30 p.m., at the Board Room at Fiji Commerce & Employers Federation, 42 Gorrie Street, Suva, Fiji, to transact the following business:-

General Business

Item No.1 – Confirmation of Minutes

To confirm the minutes of the previous AGM of the Company held on October 30, 2017.

Ordinary Business

Item No.2 – Adoption of Audited Financial Statements

To receive, consider and adopt the financial statements of the Company for the year ended June 30, 2018, including the audited statement of financial position as at June 30, 2018, the statement of profit and loss and other comprehensive income for the year ended on that date and the report of the Board of Directors ('the Board') and Auditors thereon.

Item No.3 – Appointment of Director

To appoint a Director in place of Mr.Rohit Punja, who retires by rotation and being eligible in accordance with Article 100 of the Articles of Association of the Company, offers himself for re-appointment.

Item No.4 – Appointment of Auditors

To appoint Auditors in accordance with Section 422 of the Companies Act, 2015, to hold office from the conclusion of this meeting until conclusion of the next AGM at a remuneration as may be mutually agreed between the Board and the Auditors. The retiring Auditors M/s. PriceWaterhouseCoopers, Chartered Accountants, being eligible, offer themselves for appointment.

Any Other Business

Any other business brought up in conformity with the Articles of Association of the Company.

By **Order of the Board of Directors**

19th September 2018

Registered Office:
Leonidas Street,
Walu Bay, Suva

Sandeep Kumar K
Chief Financial Officer &
Company Secretary

PROXIES

1. A member who is unable to attend the meeting is entitled to appoint a proxy to attend the meeting and vote on his behalf. The proxy need not be a member of the company.
2. A proxy form is enclosed with this Annual Report. To be effective the form must reach the registered office of the company, no less than 48 hours before the time for holding the meeting.

Explanatory Notes:

ORDINARY BUSINESS:

Item No.2 – Adoption of Audited Financial Statements

The audited statement of financial position as at June 30, 2018, the statement of profit or loss and other comprehensive income for the year ended on that date, together with the Report of the Board of Directors and Independent Auditors' Report thereon, included in the 2018 Annual Report is for the Shareholders to read prior to the meeting.

As stipulated in the Articles of Association of the Company, it is a requirement that the Shareholders present at the AGM receive and adopt the above mentioned Statements and Reports.

Item No.3 – Appointment of Directors

In accordance with Article 99 and 100 of the Articles of Association of the Company, one third of the Directors, based on serving longest in office since their last appointment, shall retire from office and a retiring Director shall be eligible for re-election. Based on this, Mr.Rohit Punja would retire by rotation and is eligible to be re-elected.

Mr. Rohit Punja carries rich experience in the manufacturing sector and is also the Chairman of the Company. He did his education in Tasmania and India and has also completed a work training in Tea Tasting and Tea Grading in Sri Lanka. Mr. Rohit currently holds Directorship in Hari Punja & Sons Ltd., FMF Group Companies and Chairmanship in Camira Holdings Ltd., TD Punja & Company Ltd., Fiesty Ltd., and Wailoaloa Developments Ltd.

The Board proposes that Mr.Rohit Punja be re-elected as Director of the Company.

Item No.4 – Appointment of Auditors

The Board proposes that M/s. PricewaterhouseCoopers, Chartered Accountants be re-appointed as the Auditors of the Company until the conclusion of the next Annual General Meeting and that the Board be authorised to fix their remuneration.

The retiring Auditors M/s. PricewaterhouseCoopers have consented in writing to act as Auditors and offer themselves for re-appointment.

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

CHAIRMAN'S REPORT TO THE SHAREHOLDERS

Dear Shareholders

I am pleased to report that year 2017-18 was another year of significant progress for the Company.

During the year under review, the Company's revenue was up 18.7% year-on-year at $14.6 Mn. (FY 2016-17: $12.3 Mn.) and Net Profit at $1.0 Mn versus $1.0 Mn. last year. During the year, your Company made good inroads into export markets by bagging some new orders resulting in increased sales. Along with sales, operational costs also increased significantly during the year, mainly from a sharp increase in international paper prices and resin prices, further impacted by a stronger US Dollar. The higher input cost and our inability to immediately pass these increased costs on to our customers resulted in a marginally lower operating profit during the year under review. The Company declared an increased dividend of 4 cents per share compared to last year's $2^{1}/_{2}$ cents per share, resulting in an outflow of $0.32 Mn. ($0.20 Mn. last year).

Outlook

Paper prices are expected to stay high for the foreseeable future in the wake of a 20-year low global stock of pulp and continued demand from China . This, together with increased fuel cost and a strong US Dollar is expected to push cost of production upward, exerting significant pressure on pricing and margins. Even though the business environment is likely to remain challenging for some time to come, we are confident that our operational strength, wider product portfolio, investment in people and facilities will continue to drive our business forward.

As always, I would like to thank all our stakeholders – our valued customers, our employees, our investors, our suppliers, service providers and the various Authorities – for continued support.

Sincerely,

Rohit Punja
Chairman

19th September 2018

Corporate Governance

In June 2008, the Capital Markets Development Authority (now the Capital Markets Unit of Reserve Bank of Fiji) published the Corporate Governance Code for the Capital Market (The Code). The Code articulates 10 core principles together with the best practice recommendations. This code is the basis for Atlantic and Pacific Packaging Company Ltd.'s (ATPACK) corporate governance standards.

On a continuous basis, ATPACK has reviewed its existing policies and has codified / modified policies in line with its goal to improve the standard of corporate governance.

Role of the Board

The role of the Board is to assume accountability for the success of the company by taking responsibility for its direction and management in order to meet its objective of enhancing shareholder value.

The Board

Directors are elected by Shareholders at the Annual General Meeting. One third of the total strength of the Board, retire by rotation each year and are eligible for re-election. Casual vacancies during the year are filled up by the Board till the conclusion of the next Annual General Meeting.

As at the Balance date, the Directors in Office were Messrs.Rohit Punja (Chairman & Executive Director), Ram Bajekal (Managing Director), Gary Callaghan, Pramesh Sharma and Ajai Punja (*Alternate to Rohit Punja*).

Meetings of the Board

The regular business of the Board during its meetings cover business investments and strategic matters, governance and compliance, the Managing Director's report, financial report and performance review of the Company.

During the financial year under review the Board met 4 times. The Members' attendance at the Board meetings, during the financial year is given below:

DIRECTOR	Number of Meeting Entitled to Attend	Number of Meetings Attended	Apologies Received
Mr. Rohit Punja (Chairman & Executive Director)	4	4	N/A
Mr. Ram Bajekal (Managing Director)	4	4	N/A
Mr. Gary Callaghan (Independent Director)	4	4	N/A
Mr. Pramesh Sharma (Non-Executive Director)	4	4	N/A
Mr. Ajai Punja (*Alternate to Rohit Punja*)	N/A	N/A	N/A

Sub-committees of the Board

The Board has formally constituted two sub-committees; viz

- The Audit and Finance Committee and
- The Share Transfer Committee.

As at the Balance date, the Audit and Finance Committee comprised Messrs.Rohit Punja, Ram Bajekal and Gary Callaghan. The Audit and Finance Committee is responsible for monitoring ATPACK's financial strategies, reviewing the internal audit reports, monitoring the external audit of the company's affairs, reviewing the financial statements, and monitoring the company's compliance with applicable laws and stock exchange requirements.

The Executive Management under the directions of this Committee, is also responsible for monitoring the Risk Management to ensure that key business and operational risks are identified and appropriate controls and procedures are put in place to manage those risks.

This sub-committee met four times during the financial year under review. The Executive Management usually takes its major decisions in consultation with the members of the sub-committee, where necessary.

As at the Balance date, the Share Transfer Committee comprised Messrs.Rohit Punja, Ram Bajekal and Gary Callaghan. The Share Transfer Committee is responsible for approval of share transfers between the shareholders of the company. The Share transfer committee has met 4 times during the year under review.

Responses to the Guidelines on Corporate Governance issued by Reserve Bank of Fiji:

Principle	**Company's response**
Establish clear responsibilities for Board Oversight	Covered above
Constitute an effective Board	Covered above
Appointment of a Managing Director (MD)	The Board has appointed a suitably qualified and competent Managing Director entrusted with substantial powers of management of the affairs of the Company. He is a professionally qualified Chartered Accountant from the Institute of Chartered Accountants of India and has also studied Management as a Fulbright Fellow for Management Studies at Carnegie Mellon University, Pittsburgh, U.S.A.
Board and Company Secretary	The company has appointed a suitably qualified and competent Company Secretary. He is a professionally qualified Chartered Accountant from the Institute of Chartered Accountants of India and an Associate Member of the Institute of Company Secretaries of India.
Timely and Balanced disclosure	Board meetings are held at least once in every quarter of the year. The Board is apprised of the company's performance and major decisions are deliberated and passed at Board level. Progress on carrying out strategies is reviewed at these meetings.
Promote ethical and responsible decision – making	ATPACK promotes and believes that all directors and employees uphold high standards, honesty, fairness and equity in all aspects of their employment and association with the company.
Register of Interests	The company maintains a Register of Interest wherein the interests of Directors are noted.
Respect the rights of Shareholders	An Annual General Meeting is held every year in accordance with the Articles of Association of the company. The Annual report is also published each year and circulated to the shareholders of the company.
Accountability and Audit	ATPACK is audited externally each year and receives an independent audit report which forms part of the Annual Report. The Audit and Finance Committee is responsible for overseeing the financial reporting and disclosure process, performance and independence of the external auditors, monitoring internal control processes, reviewing adequacy of the internal audit function and discussing risk management policies and practices with management.
Recognize and Manage Risk	The Executive Management of the Company ensures that key business and operational risks are identified and appropriate controls and procedures are put in place to manage those risks.

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the directors herewith submit the statement of financial position of Atlantic & Pacific Packaging Company Limited ("the Company") as at 30 June 2018, the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended on that date and report as follows:

1 Directors

The following were Directors of the Company at any time during the financial year and up to the date of this report:

- Rohit Punja - Chairman
- Ram Bajekal - Managing Director
- Gary Callaghan
- Pramesh Sharma
- Ajai Punja (Alternate director to Rohit Punja)

2 Principal activities

The principal business activity of the Company is the manufacture of a wide range of packaging materials including corrugated cartons, assorted containers and bags.

3 Trading results

The net profit after income tax for the year was $0.99m (2017: $1.04m) after taking into account income tax expense of $0.10m (2017: $0.12m).

4 Provisions

There were no material movements in provisions.

5 Dividends

During the year, the Company declared an interim dividend of 4 cents per equity share (2017: 2.50 cents) entailing outflow of $0.32m (2017: $0.20m). No further dividend is recommended for the financial year ended 30 June 2018.

6 Going concern

The financial statements of the Company have been prepared on a going concern basis. We consider the application of the going concern principle to be appropriate in the preparation of these financial statements as we believe that the Company has adequate funds to meet its liabilities as and when they fall due over the next twelve months.

DIRECTORS' REPORT (Cont'd)

7 Bad and doubtful debts

The Directors took reasonable steps before the financial statements were made out, to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts. At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the provision for doubtful debts, inadequate to any substantial extent.

8 Current assets

The Directors took reasonable steps before the financial statements were made out to ascertain that the current assets of the Company were shown in the accounting records of the Company at a value equal to or below the value that would be expected to be realised in the ordinary course of the business. At the date of this report, the Directors are not aware of any circumstances which would render the values attributable to the current assets in the Company's financial statements misleading.

9 Events subsequent to balance date

No charge on the assets of the Company has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the date of this report which, in the opinion of the Directors, will or may affect the ability of the Company to meet its obligations as and when they fall due.

10 Related party transactions

In the opinion of the Directors all related party transactions have been adequately recorded in the books of the Company.

11 Other circumstances

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

12 Unusual transactions

The results of the Company operations during the 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.

DIRECTORS' REPORT (Cont'd)

13 Directors' interests

Interest of Directors and any additions thereto during the year in the ordinary shares of the Company are as follows:

	Beneficially		Non-Beneficially	
	Additions	Holding as at 30 June 2018	Additions	Holding as at 30 June 2018
Rohit Punja	-	-	-	5,058,268
Gary Callaghan	-	-	-	4,879,750
Ajai Punja (Alternate to Mr. Rohit Punja)	-	-	-	5,058,268

14 Directors' benefits

No Director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by Directors as shown in the Company's financial statements) by reason of any contracts made by the Company with the Director or with a firm of which he/she is a Member, or with a company in which he/she has substantial financial interest.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 19th day of September 2018.

Director

Director

ATLANTIC & PACIFIC
PACKAGING COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

DIRECTORS' DECLARATION

The declaration by Directors is required by the Companies Act, 2015.

The Directors of the Company have made a resolution that declares:

a) In the opinion of the Directors, the financial statements of the Company for the financial year ended 30 June 2018:

   i) comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the Company as at 30 June 2018 and of the performance and cash flows of the Company for the year ended 30 June 2018; and

   ii) have been prepared in accordance with the Companies Act, 2015.

b) The Directors have received independence declaration by auditors as required by Section 395 of the Companies Act, 2015; and

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

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 19th day of September 2018.

....
Director

....
Director

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

As auditor for Atlantic & Pacific Packaging Company Limited for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Atlantic & Pacific Packaging Company Limited during the financial year.

PricewaterhouseCoopers
Chartered Accountants

PricewaterhouseCoopers

by

Kaushick Chandra
Partner

19 September 2018

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Independent Auditor's Report

To the Shareholders of Atlantic & Pacific Packaging Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Atlantic & Pacific Packaging Company Limited (the 'Company'), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers, Level 8 Civic Tower, 272 Victoria Parade, Suva, Fiji.
GPO Box 200, Suva, Fiji.
T: (679)3313955 / 3315199, F: (679) 3300947

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Key audit matter	How our audit addressed the key audit matter
Existence of raw materials inventory **(Refer also to Notes 2.8 and 12)** The Company carries a significant amount of raw materials inventory in order to fulfil a wide variety of customer orders of bespoke nature. Ascertaining and verifying the physical existence of raw materials inventory requires limited judgment. We focused on raw materials inventory due to its quantum, its significance to the Company's financial position, and the significant time and effort required to audit its existence.	Our audit procedures included, among others, the following to confirm the quantities of raw materials on hand at year-end: • Understanding and evaluating the appropriateness of the Company's accounting policies, processes and controls over raw materials inventory, including inventory verification and determination procedures. • Attending the annual inventory count at balance date on raw materials inventory at the major location, observing the procedures performed by the Company's count teams and performing test counts on a sample basis to test the accuracy of the count details recorded on the raw materials count sheets at balance date. • Obtaining copies of the raw materials count sheets for the count that occurred at balance date and agreeing all quantities of raw materials inventory from the count sheets to the detailed inventory listing that was used in the costing of the raw materials inventory.

Other Information

The directors and management are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2018 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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, except that not all other information was available to us at the date of our signing.

Responsibilities of Directors and Management for the Financial Statements

The directors and management are responsible of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Fiji Companies Act 2015, and for such internal control as the directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors and management are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

The directors and management are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements 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 the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 Company'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 Company'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 Company 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.

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 also provide the directors and management with a statement that we have complied with relevant ethical requirements regarding independence, and 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 for the current period 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.

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Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Fiji Companies Act 2015, in all material respects, and;

a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and

b) the Company has kept financial records sufficient to enable the financial statements to be prepared and audited.

Restriction on Use

This report is made solely to the Company's shareholders, as a body, in accordance with Section 396(1) of the Fiji Companies Act 2015. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Pricewaterhouse Coopers

PricewaterhouseCoopers
Chartered Accountants

Kaushick Chandra
Partner

19 September 2018
Suva, Fiji

ATLANTIC & PACIFIC
PACKAGING COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $'000	2017 $'000
Revenue		14,560	12,295
Other operating income	6	238	149
Changes in inventories of finished goods and work in progress		(73)	(87)
Raw materials and consumables used		(8,139)	(7,079)
Staff costs		(1,355)	(1,248)
Depreciation	16	(884)	(668)
Other operating expenses		(3,181)	(2,106)
Profit / (Loss) from operations		**1,166**	**1,256**
Finance income	7	3	4
Finance cost	7	(85)	(106)
Profit / (Loss) before tax		**1,084**	**1,154**
Income tax benefit / (expense)	8	(99)	(115)
Profit / (Loss) for the year from continuing operations		**985**	**1,039**
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		**985**	**1,039**
Basic and diluted earnings per share (cents)	19	12.31	12.99

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018 $'000	2017 $'000
Current assets			
Cash on hand and at bank	11	-	1
Inventories	12	2,317	2,398
Trade receivables	13	1,191	936
Prepayments and other receivables	14	342	632
Amounts owing by related companies	21(d)	1	14
		3,851	3,981
Non-current assets			
Deferred income tax assets	9(b)	14	69
Property, plant and equipment	16	5,036	4,443
		5,050	4,512
Total assets		8,901	8,493
Current liabilities			
Bank overdraft	11	1,606	1,891
Trade and other payables	15	786	839
Current income tax liabilities	8	106	-
Amounts owing to related companies	21(e)	38	-
		2,536	2,730
Non-current liabilities			
Deferred income tax liabilities	9(a)	246	309
Total liabilities		2,782	3,039
Net assets		**6,119**	**5,454**
Equity			
Share capital	17	4,000	4,000
Retained earnings		2,119	1,454
Total equity		**6,119**	**5,454**

The accompanying notes form an integral part of this statement of financial position.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 19th day of September 2018.

.... Director

.... Director

ATLANTIC & PACIFIC
PACKAGING COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Share capital $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2016		4,000	615	4,615
Comprehensive income				
Profit for the year		-	1,039	1,039
Other comprehensive income		-	-	-
Total comprehensive loss		-	1,039	1,039
Transactions with owners				
Dividend	18	-	(200)	(200)
Balance at 30 June 2017		4,000	1,454	5,454
Comprehensive income				
Profit for the year		-	985	985
Other comprehensive income		-	-	-
Total comprehensive income		-	985	985
Transactions with owners				
Dividend	18	-	(320)	(320)
Balance at 30 June 2018		4,000	2,119	6,119

The above statement of changes in equity should be read in conjunction with the accompanying notes.

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Receipts from customers		14,556	12,430
Payments to suppliers		(12,391)	(10,421)
Cash flows operations		2,165	2,009
Income tax paid		(2)	-
Interest paid		(85)	(106)
Net cash flows from operating activities		2,078	1,903
Cash flows from investing activities			
Interest received		3	4
Purchase of property, plant and equipment		(1,477)	(1,282)
Net cash flows used in investing activities		(1,474)	(1,278)
Cash flows from financing activities			
Dividends paid		(320)	(200)
Net cash flows used in financing activities		(320)	(200)
Net increase in cash and cash equivalents		284	425
Cash and cash equivalents at the beginning of the year		(1,890)	(2,315)
Cash and cash equivalents at the end of the year	11	(1,606)	(1,890)

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

1 GENERAL INFORMATION

Atlantic & Pacific Packaging Company Limited ('the company') operates as a manufacturer of a wide range of packaging materials including corrugated cartons, assorted containers and bags. The company is a limited liability company incorporated and domiciled in the Republic of Fiji. The company operates predominantly in Fiji and is listed on the South Pacific Stock Exchange.

These financial statements were authorised for issue by the board of directors on 19 September 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by Atlantic & Pacific Packaging Company Limited are stated to assist in a general understanding of these financial statements. These policies have been consistently applied by the company except where otherwise indicated.

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with the provisions of the Companies Act 2015 and International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) interpretations. The financial statements have been prepared under the basis of historical costs.

New standards and amendments issued

a) New and amended standards adopted by the company

There are no IFRSs or IFRS IC interpretations that are effective for the first time for the financial year beginning on or after 1 July 2017 that have a material impact on the company.

b) New standards and amendments issued but not effective for the financial year beginning 1 July 2017 and not early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for financial year beginning 1 July 2017 and have not been early adopted by the Company. The impact and interpretation of these new and amended standards is set out below.

IFRS 9 Financial Instruments

Addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 July 2017 and not early adopted (Cont'd)

IFRS 15 Revenue from contracts with customers
This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

IFRS 16 Leases
Replaces the current guidance in IAS 17. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. Included is an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. The standard is effective for accounting periods beginning on or after 1 January 2019. Early adoption is permitted but only in conjunction with IFRS 15, 'Revenue from contracts with customers'.

The company intends to adopt the standards no later than the accounting period in which they become effective.

2.2 Segment reporting

The board of directors is the company's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the board of directors for the purposes of allocating resources and assessing performance.

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those segments operating in other economic environments. For reporting purposes, the company considers itself to be operating in one business segment as its predominant revenue source is from manufacture of packaging materials. Revenue from other sources is not material for the purposes of segment reporting. The company predominantly operates in Fiji only and hence one geographical segment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Fijian Dollars, which is the company's functional currency.

(ii) Transactions and balances
All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.4 Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition and installation of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold building	10%
Plant & machinery	4% - 33%
Office equipment	6.67%
Motor vehicles	25%
Furniture and fitting	10%
Computers	33%

Capital work-in-progress is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Financial assets

The company only has 'loans and receivables' under its financial assets category. The company's loans and receivables comprise of 'trade and other receivables' and 'cash and cash equivalents'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Offsetting financial instruments

Financial assets and liabilities are offset when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost (WAC) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Inventory quantities are regularly reviewed and a provision is recorded for any slow moving and/or obsolete inventory based on future demand forecasts, production and servicing requirements, technological changes and other factors.

2.9 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.10 Trade receivables

Trade receivables are recognised at invoice amount. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within other operating expenses.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to other operating income in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and bank overdraft. In the statement of financial position, bank overdraft is shown as current liabilities.

2.12 Share capital

Ordinary shares are classified as equity.

2.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised at cost.

2.14 Current and deferred income tax

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

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.15 Revenue recognition

(a) Sale of goods
Revenue comprises the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

(b) Interest and other income
Interest and other income are recognised on an accrual basis.

2.16 Leases

Lease in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Leases (Cont'd)

Leases of plant and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rent obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

2.17 Dividend distribution

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

2.18 Earnings per share

(a) Basic earnings per share
Basic earnings per share (EPS) is determined by dividing profit after income tax attributable to shareholders by the number of ordinary shares as at balance date.

(b) Diluted earnings per share
Diluted EPS is the same as the basic EPS as there are no potential ordinary shares which are considered dilutive.

2.19 Comparative figures

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

2.20 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand dollar unless otherwise stated.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The company does not have any significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

4 FINANCIAL RISK MANAGEMENT

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

Risk management is carried out by the Executive Management. The Executive Management under the directions of the Audit and Finance Committee identifies and evaluates financial and operational risks. The board provides overall direction in risk management.

(a) Market risk

Foreign exchange risk
The company is exposed to foreign exchange risk arising from various currency exposures with respect to purchase of inventory, primarily with respect to the Australian and New Zealand dollar. Foreign exchange risk arises from future commercial transactions and liabilities.

Management has set up a policy to require the company to manage their foreign exchange risk against their functional currency, in this case the Fijian dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the Fijian Dollar.

For significant settlements, the company is required to seek quotations from recognised banks and use the most favourable exchange rate for purposes of the settlement.

As at year end, assets and liabilities denominated in foreign currencies are minimal and hence changes in foreign currency exchange rate is expected to have minimal impact on the net profit and equity balances currently reflected in the company's financial statements.

(b) Credit risk

Credit risk is managed by management with board oversight. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables. 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. Individual credit limits are then set based on the assessments done. The utilisation of credit limits is regularly monitored. Sales to credit retail customers are settled in either cash or bank cheques.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet its present obligations. Management monitors rolling forecasts of the company's liquidity reserve comprising cash and cash equivalents on the basis of expected cash flow.

The company's financial liabilities, being trade and other payables and amounts owing to related companies are all due for settlement within one year.

The company has provided security towards amounts borrowed by the various companies within the FMF Foods Limited Group.

4 FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Liquidity risk (Cont'd)

More specifically, it has provided a:

i) First registered mortgage debenture over all its assets and undertakings including any uncalled and unpaid premiums.

ii) Cross guarantee together with FMF Foods Limited, Biscuit Company of (Fiji) Limited, FMF Investment Company Limited, Pea Industries Limited, The Rice Company of Fiji Limited, DHF Limited, FMF Snax Limited, FMF Confectionery Limited and Bakery Company (Fiji) Limited.

The bank overdraft facility available to the group is fully interchangeable among the above companies.

5 CAPITAL RISK MANAGEMENT

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

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

6 OTHER OPERATING INCOME

	2018 $'000	2017 $'000
Exchange gains	160	66
Sundry receipts	78	83
	238	149

7 NET FINANCE COST

	2018 $'000	2017 $'000
Finance income		
Interest on intercompany advances	3	4
Finance cost		
Interest on bank overdraft	(4)	(24)
Interest on inter-company advances	(81)	(82)
	(85)	(106)
Net finance cost	(82)	(102)

8 INCOME TAX EXPENSE

The prima facie income tax expense on pre-tax accounting profit is reconciled to the current income tax liability/ (asset) as follows:

	2018 $'000	2017 $'000
Profit before tax	1,084	1,154
Prima facie income tax expense at 10%	108	115
Tax effect of expenses not deductible	(2)	4
Prior year adjustments	(7)	(4)
Income tax expense	99	115
Temporary differences	7	(115)
	106	-
Add: Current income tax liability / (asset) – 1 July	-	-
Add: Tax refunded	-	-
Current income tax liability/ (asset) – 30 June	106	-

9 DEFERRED INCOME TAXES

Deferred income tax balances are represented by the tax effect of the following temporary differences:

	2018 $'000	2017 $'000
(a) Deferred income tax liability		
Plant and equipment	246	309
(b) Deferred income tax assets		
Provision for doubtful debts	10	6
Provision for stock obsolescence	4	3
Tax losses	-	60
	14	69

10 PROFIT BEFORE TAX

	2018 $'000	2017 $'000
Profit before tax is stated after charging:		
Auditors' remuneration		
- Audit fees	13	13
- Taxation services	2	2

11 CASH ON HAND AND AT BANK

Cash and cash equivalents as shown in the statement of cash flows is reconciled as follows:

	2018 $'000	2017 $'000
Cash on hand	-	1
Bank overdraft	(1,606)	(1,891)
	(1,606)	(1,890)

12 INVENTORIES

Raw materials	1,922	1,547
Finished products	122	193
Work-in-progress	68	70
Spare parts	248	223
Goods in transit	1	388
Less: Allowance for obsolescence	(44)	(23)
	2,317	2,398

13 TRADE RECEIVABLES

Trade receivables	1,284	1,001
Less: provision for impairment of trade receivables	(93)	(65)
	1,191	936

13 TRADE RECEIVABLES (Cont'd)

Trade receivables that were past due but not impaired relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2018 $'000	2017 $'000
Upto 2 months	296	176
Over 2 months	100	16
	396	192

The individually impaired receivables mainly relate to balances that are either in dispute or where the customer is facing financial difficulties. The ageing of these receivables is as follows:

	2018 $'000	2017 $'000
Upto 2 months	-	-
Over 2 months	93	65
	93	65

Movements in the provision for impairment of trade receivables are as follows:

	2018	2017
At 1 July	65	118
Bad debts written-off	(13)	(46)
Additional provision for impaired receivables	41	-
Unused amounts reversed	-	(7)
At 30 June	93	65

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

14 PREPAYMENTS AND OTHER RECEIVABLES

	2018 $'000	2017 $'000
Prepayments	336	573
Other debtors	6	59
	342	632

15 TRADE AND OTHER PAYABLES

	2018	2017
Trade payables	565	314
Other payables and accruals	98	445
Staff leave accruals	123	80
	786	839

16 PROPERTY, PLANT AND EQUIPMENT

	Leasehold building $'000	Furniture & equipment & Computer $'000	Motor vehicle $'000	Plant & machinery $'000	Total $'000
At 30 June 2016					
Cost	45	289	623	8,645	9,602
Accumulated depreciation	(2)	(271)	(320)	(5,180)	(5,773)
Net book amount	43	18	303	3,465	3,829
For year ended 30 June 2017					
Opening net book amount	43	18	303	3,465	3,829
Additions	-	-	62	1,220	1,282
Depreciation charge	(5)	(3)	(137)	(523)	(668)
Closing net book amount	38	15	228	4,162	4,443
At 30 June 2017					
Cost	45	289	685	9,865	10,884
Accumulated depreciation	(7)	(274)	(457)	(5,703)	(6,441)
Net book amount	38	15	228	4,162	4,443
For year ended 30 June 2018					
Opening net book amount	38	15	228	4,162	4,443
Additions	-	1	86	1,390	1,477
Depreciation charge	(1)	(5)	(128)	(750)	(884)
Closing net book amount	37	11	186	4,802	5,036
At 30 June 2018					
Cost	45	290	771	11,255	12,361
Accumulated depreciation	(8)	(279)	(585)	(6,453)	(7,325)
Net book amount	37	11	186	4,802	5,036

17 SHARE CAPITAL

	2018 $'000	2017 $'000
Issued and fully paid:		
8,000,000 ordinary shares	4,000	4,000

18 DIVIDENDS

Dividend declared	320	200
Number of shares ('000)	8,000	8,000
Dividend per share (cents)	4.00	2.50

19 EARNINGS PER SHARE

Operating profit after tax	985	1,039
Number of ordinary shares issued	8,000	8,000
Earnings per share (cents)	12.31	12.99

20 CONTINGENCIES & COMMITMENTS

(a) Capital expenditure commitments amounted to $Nil at year end (2017: $Nil).

(b) Letters of credit	197	317
(c) Indemnity guarantees	178	178

(d) Refer to Note 4(c) for certain guarantees provided by the company for amounts borrowed by the various related companies.

21 RELATED PARTIES

(a) Directors

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

- Rohit Punja - Chairman
- Ram Bajekal - Managing Director
- Gary Callaghan
- Pramesh Sharma
- Ajai Punja (Alternate director to Rohit Punja)

(b) Immediate and ultimate holding company

The immediate holding company is FMF Foods Limited.

The penultimate holding company is Hari Punja and Sons Limited (HPS).

The ultimate holding company is Hari Punja Nominees Limited.

(c) Related party transactions

Significant transactions during the year with related parties were as follows:

	2018 $'000	2017 $'000
Income		
Sales	8,951	7,945
Interest	3	4
Boiler fees	78	78
Expense		
Rent	472	472
Administration & Support charges	84	12
Interest expenses	81	82
Purchase of consumables	-	18
Management fee	62	-
Dividend	192	120

The management fee is paid to HPS in accordance with a management agreement the company has with HPS. The fee has been waived by HPS for the previous year.

During the year, interest-bearing advances were made to and received from the immediate holding company and its fellow subsidiaries. These amounts were settled in full as at year end.

21 RELATED PARTIES (Cont'd)

(d) Amounts owing by related companies

	2018 $'000	2017 $'000
Immediate holding company	1	12
Fellow subsidiaries	-	2
	1	14

The receivables from related parties arise mainly from sale transactions and are due within two months of sale. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties (2017: $Nil).

(e) Amounts owing to related companies

	2018 $'000	2017 $'000
Immediate holding company	22	-
Penultimate holding company	2	-
Fellow subsidiaries	14	-
	38	-

The payables to related parties bear no interest and payables arising from purchases are due within two months of purchase.

(f) Key management compensation

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

During the year the executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the company included the Company Manager.

The compensation paid or payable to key management for employee services were through administrative and support charges to holding company for current year:

	2018 $'000	2017 $'000
Salaries and other short term benefits	96	95

22 OPERATING LEASE

The company leases its factory premises and land from a fellow subsidiary. The lease is currently payable at the rate of $0.47m (2017: $0.47m) per annum and provides for annual reviews.

23 SEGMENT REPORTING

(a) Industry segment

The company operates as a manufacturer of a wide range of packaging materials including corrugated cartons, assorted containers and bags.

(b) Geographical segment

The company operates predominantly in the geographical segment of Fiji. In 2018, 89% of the sales were in Fiji (2017: 96%).

24 EVENTS SUBSEQUENT TO BALANCE DATE

No charge on the assets of the company has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the company to meet its obligations as and when they fall due.

25 COMPANY DETAILS

Registered Office:
2 Leonidas Street
Walu Bay
Suva
Republic of Fiji

Share Register:
Central Share Registry
Level 2, Plaza One, Provident Plaza
33 Ellery Street
GPO Box 11689
Suva, Fiji

The company's shares are listed on the South Pacific Stock Exchange.

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED
LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE
(UNAUDITED AND NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

(a) Schedule of each class of equity security , in compliance with listing requirements under section 6.31 (iv):

Shareholdings of those persons holding twenty (20) largest blocks of shares:

NAME	No. of Shares	%
FMF FOODS LIMITED	4,800,000	60.00
BSP LIFE (FIJI) LIMITED	851,069	10.64
UNIT TRUST OF FIJI (TRUSTEE COMPANY) LTD	837,680	10.47
FHL TRUSTEES LIMITED ATF FIJIAN HOLDINGS UNIT TRUST	437,571	5.47
HARI PUNJA & SONS LIMITED	258,268	3.23
MARELA HOLDINGS LTD	100,000	1.25
CARLISLE (FIJI) LIMITED	79,750	1.00
KEN KUNG	25,000	0.31
TUTANEKAI INVESTMENTS LIMITED	23,000	0.29
FIJICARE INSURANCE LIMITED	23,000	0.29
CICIA PLANTATION CO-OPERATIVE SOCIETY LTD	20,000	0.25
J K S HOLDINGS LIMITED	20,000	0.25
LEO BARRY SMITH	20,000	0.25
ETA & RADIKE QEREQERETABUA	20,000	0.25
AMARSEE BHAGWANJEE LTD	20,000	0.25
DINESH CHAUHAN	20,000	0.25
JOSEPHINE AND GIRISH MAHARAJ	20,000	0.25
KUNDAN SINGH & SONS HOLDINGS	20,000	0.25
FIJI CO-OPERATIVE UNION LIMITED	18,000	0.23
TITILIA SERUKAISOSO	15,543	0.19

(b) Schedule of each class of equity security , in compliance with listing requirements under section 6.31 (v):

Distribution of ordinary shareholders:

NO. OF HOLDERS	HOLDINGS	%
7	less than 500 shares	0.03
72	501 to 5,000 shares	2.29
18	5,001 to 10,000 shares	2.01
12	10,001 to 20,000 shares	2.74
3	20,001 to 30,000 shares	0.89
2	50,001 to 100,000 shares	2.25
4	100,001 to 1,000,000 shares	29.81
1	Over 1,000,000 shares	60.00
119		**100.00**

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED
LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE
(UNAUDITED AND NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT) (Cont'd)

(c) Disclosure under Section 6.31 (xii):

Summary of key financial results for the previous five years for the company:

	2018	2017	2016	2015	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000
Net profit after tax	985	1,039	(69)	493	381	319
Current assets	3,851	3,981	4,260	4,659	4,139	3,412
Non-current assets	5,050	4,512	4,021	2,105	1,341	1,548
Total assets	8,901	8,493	8,281	6,764	5,479	4,960
Current liabilities	2,536	2,730	3,350	1,839	793	277
Non-current liabilities	246	309	316	141	75	173
Total liabilities	2,782	3,039	3,666	1,980	868	450
Shareholders' equity	6,119	5,454	4,615	4,784	4,611	4,510

(d) Disclosure under Section 6.31 (xiii) (a):

Dividend declared per share:

	2018	2017	2016	2015	2014	2013
Cents per share	4.00	2.50	1.25	4.00	3.50	3.50

(e) Disclosure under Section 6.31 (xiii) (b):

Earnings per share:

	2018	2017	2016	2015	2014	2013
Cents per share	12.31	12.99	(0.86)	6.16	4.77	3.99

(f) Disclosure under Section 6.31 (xiii) (c):

Net tangible assets per share:

	2018	2017	2016	2015	2014	2013
Cents per share	76.49	68.18	57.68	59.80	57.64	56.37

(g) Disclosure under Section 6.31 (xiii) (d):

	2018	2017
Share price during the year	$	$
Highest	1.22	1.10
Lowest	1.05	1.05
On 30th June	1.22	1.05

Atlantic & Pacific Packaging Company Limited

Minutes of the Nineteenth Annual General Meeting of the Company, held at 3.30 pm on the 30th October 2017 in the Training Room at Atlantic & Pacific Packaging Company Limited, Leonidas Street, Walu Bay, Suva.

PRESENT

Directors

Mr. Rohit Punja	:	Chairman & Executive Director
Mr. Ram Bajekal	:	Managing Director
Mr. Gary Callghan	:	Director
Mr. Pramesh Sharma	:	Director

Invitees

Mr. Kaushick Chandra	:	Partner, M/s. PricewaterhouseCoopers, Statutory Auditors
Ms. Krishika Narayan	:	Chief Executive Officer, South Pacific Stock Exchange (Observer)

Company Secretary & Chief Financial Officer

Mr. Sandeep Kumar

1. MEMBERS

Eleven members / proxy holders holding 6,976,267 shares were present during the meeting.

2. APOLOGIES FROM DIRECTORS

All Directors were present in the meeting.

3. CHAIRMAN

In terms of provisions of Article 63 of the Articles of Association of the Company, Mr. Rohit Punja presided over the meeting.

4. SHARE REGISTER & STATUTORY REGISTERS

The Share Register containing all the relevant details of the Shareholders of the Company and the Statutory Register were placed on the Table and remained open for inspection during the meeting.

5. QUORUM

The Chairman commenced the meeting by welcoming the Members to the 19th Annual General Meeting. The Chairman announced that the requisite quorum being present, the meeting was called to order.

6. CONFIRMATION OF THE MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING HELD ON 28th OCTOBER 2016.

The motion was proposed by Mr. Maganlal Mohanlal and seconded by Mr. Mahendra Pal Singh. Thereafter, the motion was put to vote by show of hands and was passed without any objection.

7. MATTERS ARISING:

There were no matters arising from earlier minutes.

8. ADOPTION OF THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED JUNE 30 2017

The Chairman took up the agenda item no.2 for the adoption of audited financial statements of the Company for the year ended June 30, 2017 along with report of the Board of Directors and Auditors of the Company.

On the request of Chairman, Mr. Ram Bajekal, Managing Director of the company briefed the Members about the key highlights of the financials and operations of the Company for the year in report.

Mr. Mr. Hari Raj Naicker proposed the motion which was seconded by Mr. Mahendra Pal Singh and thereafter the motion was put to vote by a show of hands and was approved nem con.

9. TO APPOINT MR. PRAMESH SHARMA AS A DIRECTOR, WHO RETIRES BY ROTATION AND BEING ELIGIBLE IN ACCORDANCE WITH ARTICLE 100 OF ARTICLES OF ASSOCIATION OF THE COMPANY, OFFERS HIMSELF FOR REAPPOINTMENT.

The Chairman proposed the motion for Item 3 in the Notice, which was seconded by Mr. Hari Raj Naicker and thereafter the motion was put to vote.

By a show of hands, the meeting approved the motion and elected Mr. Pramesh Sharma as a Director of the company without any objection

10. APPOINTMENT OF AUDITORS

The motion was proposed by the Mr. Hari Raj Naicker and seconded by Mr. Mahendra Pal Singh and thereafter the motion was put to vote.

By a show of hands, the meeting approved the motion and confirmed, without any objection, the appointment of the retiring auditors, M/s. M/s PricewaterhouseCoopers, as the Statutory Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a fee to be decided by the Board of Directors.

11. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION

The Chairman took up the Special Business under agenda item no.5 regarding the approval for adoption of new set of Articles of Association of the Company. The Chairman informed the Members that the new set of Articles of Association was necessitated in view of the introduction of Companies Act 2015 and that the revised Articles of Association was prepared based on the model Articles issued by the south Pacific Stock Exchange for listed entities.

The motion to approve the business was proposed by Mr.Hari Raj Naicker and was seconded by Mr.Maganlal Mohanlal. The below mentioned resolution was then put to vote by show of hands and was approved by the Members unanimously:

"RESOLVED that pursuant to the provisions of Section 46 and any other applicable provisions of the Companies Act, 2015, the new set of Articles of Association, submitted to this meeting, be and are hereby approved and adopted in substitution for, and to the exclusion, of the existing Articles of Association of the Company.

RESLOVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

12. GENERAL DISCUSSION:

There was a general discussion and briefing on the operations of the Company. Mr. Ram requested Members to give their consent to send the notices and annual report of the company in electronic mode in the larger interest of green environmental cause.

The meeting concluded at 4.00 pm with a vote of thanks to the Chair from the floor.

Sd/-
Chairman

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

PROXY FORM

Share Folio No. ……….……..……………
No. of shares held ……….…….……………..

The Company Secretary
Atlantic & Pacific Packaging Company Limited
P O Box 977,
Suva, Fiji.

I/WE………..……………………………………………………………………………………………..….

of ………………..…………………..…………………………………………………………………….

being a member(s) of **ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED** *hereby*

appoint …………..………………………………………………………………………………………

or failing him/her…..………………………………………………………………………………………

as my/our proxy to vote on my/our behalf at the 20th Annual General Meeting of the Company, to be held at 3.30 p.m. on 30th October 2018 and at any adjournment thereof in respect of such business(es) as are indicated below:

Item No.	Business	Vote (*optional see note 1*)		
		For	Against	Abstain
General Business				
1.	To confirm the minutes of the previous Annual General Meeting held on 30th October 2017			
Ordinary Business				
2.	Adoption of Financial Statements for the year ended June 30, 2018 including Balance Sheet, Statement Profit & Loss and the report of the Board of Directors and Auditors			
3.	Appointment of Director in place of Mr.Rohit Punja who retires by rotation and being eligible, seeks re-appointment			
4.	Appointment of Messrs.PricewaterhouseCoopers as Auditors of the Company			

As witness to my/our hands this…….…day of ………………..2018, at …………………………………

Signed by the said member (s) ………………………………………..…………………………….…….

In the presence of (Witnessed by)……….……………………………………………………………

Notes:
1. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' box blank against any or all of the resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate. Where more than one box against same item is ticked, the vote will be invalid on that item.
2. This form, in order to be effective, should be duly completed, signed, and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting.
3. In the case of a body corporate, this form should be under its Seal or be signed by an officer or an attorney duly authorized by it.

For office use only:
Proxy received on _________________ at ______________ am / pm by ______________________________