Pleass Global Limited

Beverages • Packaging • Tourism • Horticulture

MARKET ANNOUNCEMENT

30 April 2019

Subject: Release of Annual Report.

Pleass Global Limited (PBP) is pleased to release their 10th Annual Report. The Company is celebrating 10 years since listing on the SPSE.

In 2019 we also celebrate 20 years of bottling AquaSafe®, Fiji's favourite water.

End of announcement.

Warwick Pleass
Managing Director

Catherine Pleass
Company Secretary

About Pleass: Pleass Global Limited is a Fiji based company publicly listed on the South Pacific Stock Exchange. Pleass principally bottles water and distributes food and beverage packaging across the South Pacific.

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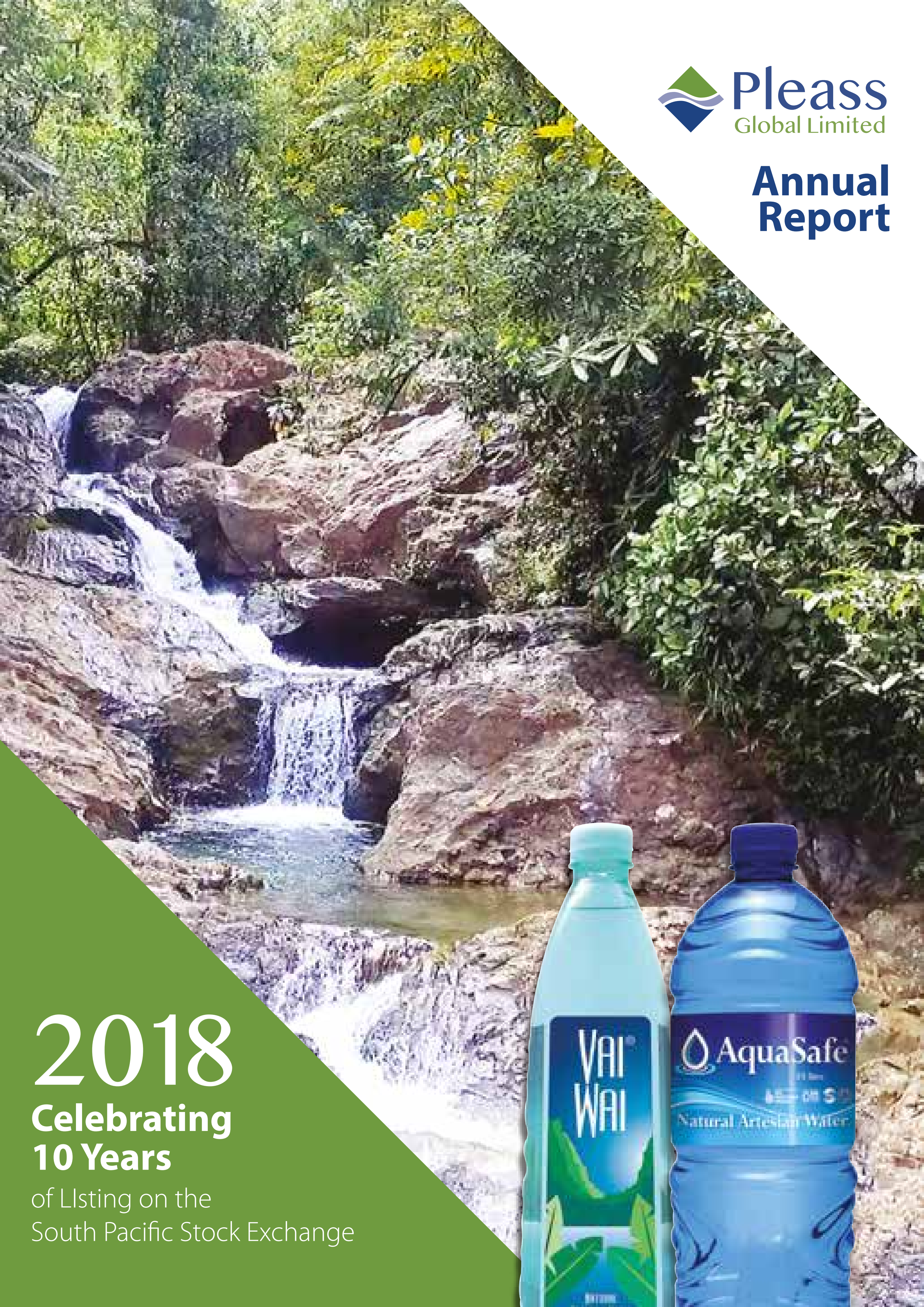
Pleass
Global Limited

Annual Report



2018

Celebrating 10 Years

of LIsting on the
South Pacific Stock Exchange

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PLEASS GLOBAL is celebrating 10 years of being listed on the South Pacific Stock Exchange. This milestone is a critical one for our business as the listing requirements have guided us towards continuous and sustained delivery in compliance, governance and performance.

We also celebrate the first full year of operation in a new facility which is delivering world class quality and operational results. Our Namosi head office and water bottling facility is a feat of engineering and hard work... and also a wonderful workplace for the PLEASS GLOBAL TEAM.

A diverse and growing corporation principally engaged in production and marketing of bottled water, operating a state-of-the-art bottling operation at source. Pleass operates a business unit selling single use daily items and manufacture of packaging items and also operates adventure eco-tourism services and is in the establishment phase of organic farming and property development. Pleass values the environment and sustainable practices are at the heart of all that we do, our source land is certified organic providing assurance of protection of the sustainable water source.

Our significant CSR programmes see children attending school through scholarships, healthy lifestyle promoted through sport sponsorship, environment protection enhanced through our activities in supporting significant environmental initiatives and development supported through our Platinum donor sponsorship of Rotary Pacific Water - providing clean water and sanitation to communities in need.

Mission

To delight consumers with waters of distinctive design, character, taste and quality.

- Refresh - Ultimate hydration solution, brands associated with style, health, activity and lifestyle
- Respect - Hallmark of all that we do for customers, consumers, shareholders, employees and communities
- Rethink - Constantly deliver innovation and excellence
- Reduce, Reuse, Recycle and Recover - Deliver environmental and sustainability gains with integrity and purpose through the famous "4 R's".

Vision

To be engaged with consumers globally and admired for our brands and values.

Consumers

We seek to continuously delight consumers with premium quality, choice of brands and authentic marketing. Pleass Global is the all solutions bottling company withe premium artesian water solutions to suit all purposes.

Shareholders

Building shareholder value and engagement is critical to our business.A guiding principle in all that we do is delivering value and confidence to our shareholders; our compliance and governance achievements go a long way in building trust and confidence.

Employees

Cross functional teamwork is critical to any manufacturing business and we engage in multi disciplinary contributions in all decision-making. We seek to recruit and retain top performing employees.

Pleass Global
Board of Directors

Warwick Pleass
Managing Director
& Chairperson

Catherine Pleass
Company Secretary
& Director

Fomiza Bano
Director

Bruce Sutton
Audit Committee Chairperson
& Independent Director

Ashnil Prasad
Non-Executive Director

Latileta Qoro
Independent Director

Chairmans Report

“Our 10th year since listing and 10 years of unbroken revenue growth (listed Feb 4th, 2009). A tough but productive and successful year. The business has consolidated it’s position and enhanced it’s production capacity in preparation for higher growth rates and increased exports. Improved efficiencies on all three new water bottling lines.

Substantially grown domestic sales through their two distribution centres in Suva and Nadi. Export sales down.”

- Warwick Pleass
Chairman & Managing Director.

Bula Vinaka stakeholders of Pleass Global Limited

The 2018 year was our 10th year since listing and was good for the company in many ways, albeit with mixed financial outcomes.

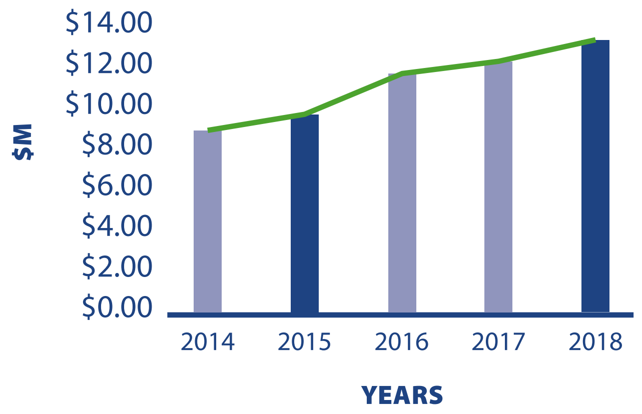
Revenue and EBITDA increased while operational profit was pulled back by the higher finance costs and depreciation of our new factory and production machinery. In a year where revenue growth was not as high as budgeted, these additional costs were therefore more influential than budgeted.

Shareholders have benefited from the major improvement in value of our real property, which reflects well in the financials. I am pleased with the now stronger balance sheet and NTA per share.

The company has surged ahead in efficiency and productivity from all the 3 new production lines and is extremely well positioned to take advantage of the new orders and many opportunities our marketing team are working on.

At the close of 2018 revenue was $12,199,828 or 6% higher than the previous year. Gross profit in 2018 was 5% higher than 2017.

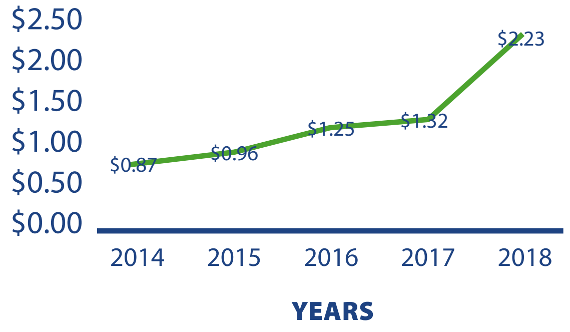
OPERATING REVENUE



Profit after income tax was $6,090,665. This has increased by 728% on 2017 profit. 2018 profit includes fair value of investment property amounting to $6,530,000. Profit from operations in 2018 was $250,406 compared to $827,691 in 2017 due to the expected higher depreciation and finance costs.

Total Net Assets per share increased from $1.32 to $2.23 and EBITDA margin remained constant at 14% for 2018.

NET TOTAL ASSESTS PER SHARE (NTA PER SHARE)



PBP 2018 earnings per share are 92 cents compared to 11 cents in prior year.

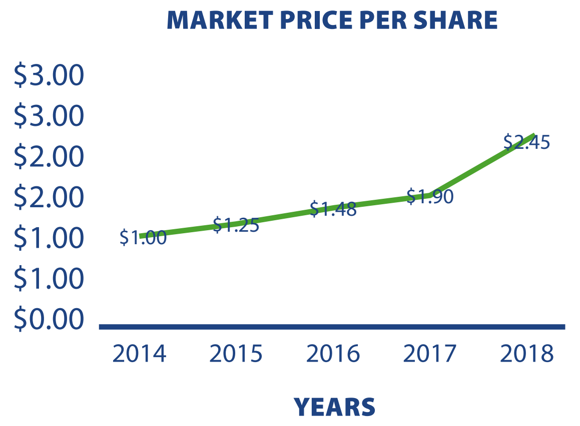
The company’s Statement of Financial Position is stronger at $14.7 million net assets compared to $8.7 million in the same period last year. This is 69% growth in value of our net assets due to the fair value gain of investment property. Furthermore, the company has adopted the new international accounting standards IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers) effective 1 January 2018. This was a major undertaking for the business.

FINANCIAL HIGHLIGHTS

	2018	2017
Operating Revenue Growth	6%	3%
Gross Profit Growth	5%	1%
Nett Profit After Tax on previous year (NPAT)	728%	-22%
Nett Profit After Tax on previous year (NPAT) without change in fair value of investment property	-160%	-17%
Operating Return on Sales (OROS)	2%	7%
Earnings Per Share	0.92	0.11

The Board recommends a final dividend of 2 cents per share. Taken with the interim dividend paid in November 2018, total dividend for the year ended 2018 will be 4 cents per share – the same as the 2017 dividend. The total dividend is significantly higher than set out in the Company Dividend Policy but in light of certain forecasts the board feels strongly about maintaining the dividend as the same from the previous years.

The company share price grew $0.55 (from $1.90 to $2.45) or 29%. This continues the capital rewards to our shareholders for their patience in the early years after listing



We have continued our biannual dividends as a matter of policy and followed the total dividend trend, regardless of the need for business development funds. The confidence of our shareholders rewarded the business and themselves by more stock trades and for more total shares traded than any year prior (apart from private placements) as well as the aforementioned share price increases.

COMPANY PERFORMANCE

Our business has grown again (as it has done for all 10 years since listing in February 2009). The business developed largely in line with our strategic plan albeit with lower sales and profit than budgeted.

The global non-alcoholic beverage industry is still thriving and the non-carbonated water sector is the one with the most growth and best promise and prospects. PGL is now more ready than ever for the opportunities and challenges ahead.

COMPLIANCE

We have worked hard on quality and compliance in 2018. Additional systems and practices have been put in place to enhance our compliance and controls. By having all our people (except our Distribution Centers) under one roof at our water source (and tourism development and farm) does make internal controls and compliance more effective.

These internal controls remain critical to us and we have benefited from continuing improvements in these areas since we relocated.

External audits continue to reflect how we perform across international and local compliance practices and also reflect if our internal assessments are reliable.

2018 was our 4th year with the current auditing firm for *financial external audit*. The process of financial audit is not just for the stock market and regulators. It brings other substantial benefits to the business, including peace of mind to stakeholders such as major suppliers and customers.

In our *water bottling external audit* under the Australasian Bottled Water Institute against their Code of Practice and HACCP standards, we were successful in maintaining our highest score ever of the 'Exceptional' rating. This is an annual audit by a visiting expert and we were pleased to receive an improved score now we have moved into the new premises.

Our compliance team completed the renewal of our Organic Australia *organic status external audit* for our Kila Organics activities. This is important to many of our water customers as the water source is underneath our organic farm.

Our annual engineering and equipment *adventure tourism audit* of Kila Eco Adventure Park was again completed with a high-level pass by our consultants from overseas. This tourism businesses remains important to the business strategically even if not financially. It gives training and employment for the local village residents and brings locals and overseas tourists alike to the Fijian rainforest to learn and enjoy.

SUSTAINABILITY

Living and breathing sustainability is woven into the fabric of our business model. We bottle our product and run our entire operation at our water source. Numerous staff and families live on the land too. Our customers appreciate our efforts and for those that are not aware yet we are rolling out new communications mediums in FY 2019. This helps us grow the business and it's how we protect our water source from the contaminants that effect so many other underground fresh water sources.

We don't measure ourselves purely by traditional financial metrics. We measure our success also in terms of community expectations of good corporate character. New generations have new expectations: that ethics and growth are no longer separate concepts. The new generation of consumers look for companies that provide for this in their products and services. Growth and output without sustainability is not in this company's future. Pleass Global is delivering sustainable growth by investing wisely in real estate, plant and machinery and in a healthier future for people and our planet. Growth has long been the lifeblood of Pleass Global Limited, and we remain committed to delivering better financial returns, but we also want to achieve this in the most sustainable way.

I like to remind our people that there are few companies with a more sustainable model than ours. Our food product (bottled water) is a 100% renewable natural product. No preservatives or chemicals added, and no calories. Our tourism business is "eco" meaning minimal power or fuel is used, and our farm is organic.

We compost our organic waste, re-using it on our plantation and gardens.

We have now increased our recycle rates by 350% since 2017 and reduced our solid waste by 210% or 640 tons per annum. We now recycle all waste that can be recycled such as paper, carboard and 99.4% of all plastics. We even go further in recycling certain plastics that any other bottler by converting waste bottles (internal and returned by customers) then exporting them for further enhancement so they are truly recycled into new bottles, instead of the normal "down- cycled" into fibers for garments.

We minimize our waste and carbon footprint in a myriad of ways.

Through planning and investments, we continue to explore opportunities to reduce our impact and then taking that further, give back more than we take. Examples;

- We operate in what I understand is Fiji's 'greenest' commercial or industrial building.
- In our water bottling business, we use state of the art and cutting edge raw materials and packaging designs. We were creative in our building electrical design and therefore in reducing our energy use, maximizing natural light and convective air conditioning and minimization of noise and visual pollution. We are constantly improving our general operations by using better materials environmentally (in addition to the often-quoted reductions of waste and materials which frankly are more often primarily to improve profit than to be environmentally responsible).
- Our eco-tourism and land care business units comprise 100+ acres of flora and fauna preservation projects, 'green reserve' preserved rainforest, organic farming, botanic gardens and nature trails. Our staff and families plus our suppliers and customers who take the time to visit enjoy the beauty and serenity of genuine low-land tropical rainforest incorporating eco-tourism, organic farming and a general sense of purpose for, and harmony with, nature.

CORPORATE SOCIAL RESPONSIBILITY

2018 was a year of continued CSR. We gave back more to our communities through supporting in one way or another all the community groups who asked, with policy guiding our decisions as to how to help.

Our Platinum sponsorship commitment to Rotary Pacific Water For Life continues as well as other initiatives. This Platinum partnership is a key CSR activity for us and one we are all very proud of.

We continued our education scholarship programme in support of our local communities in and around the Nabukavesi, Wainadoi, Qilai and Mau communities. This programme allows high-performing and dedicated students to achieve their goals in attending the best school and colleges in Fiji.

We expanded our CSR activities to help more people, through stronger partners, and to achieve the stronger outcomes of;

- Helping the less fortunate to develop themselves.
- Win new business.
- Improve customer retention.
- Develop and enhance relationships with customers, suppliers and networks.
- Attract, retain and maintain a happy workforce and be an Employer of Choice.

OPERATIONS

Research and Development plus capital expenditure remain important focuses of decisions we make. In the

Fijian capital market dividends clearly remain important to our shareholders but we note a pleasing recent trend in shareholder values where long-term growth and capital gain is increasingly important. We have grown value for our shareholders by continued gains in our share price and a stronger balance sheet.

In past years I have spoken about the importance of research and development (R&D) which PGL has spent vigorously on and taken significant risk for its water brand VaiWai® Natural Artesian Water. This has been spent on new materials and product development plus intellectual property protection (to defend the brand and designs in all our key target markets). The shareholders have been patient and the rewards are now flowing back to the business.

KILA WORLD DEVELOPMENT

We continued to invest in the company land development; the 420 acres of freehold land in Namosi. In 2018 we continued improvements to the factory / head office and extending roads, electrification and drainage, which now consist of a 460 metre private concrete road, 900 metres of improved gravel roads (450 metres of electrified), 2.3 km of improved driving and walking tracks and trails, 3 staff houses, bridges, drainage and erosion control. Kila Eco Adventure Park's slogan is "Wild Fun, Learn and Explore". It remains Fiji's corporate training facility of choice in addition to a tourism attraction providing fun and excitement. We continue to train our staff and ensure they are internationally accredited to ensure the highest safety standards and enjoyment for our guests.

GOVERNANCE

Our Board of Directors are dedicated and diligent in their roles and are all contributing in meaningful ways. I am also proud that we remain Fiji's first public company board with a continuing gender balance. Our Directors have a diverse range of backgrounds and skills making for dynamic contributions and deliberations. PGL's Board and management continue to have strong focus on, and commitment to, transparency and corporate governance.

Fairness, non-discrimination, non-violence or harassment and integrity are not just words to the company. They are considered in our management actions and dealings along with zero tolerance to theft, fraud and corruption. The company promotes to staff the value of being transparent in all dealings and transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, with accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner. Fundamentally, there is a level of confidence that is associated with a company that is known to have good corporate governance. The fact we are publicly listed (and therefore independently audited) plus the presence of independent directors on the board gives our customers and other stakeholders a lot of confidence in dealing with us. This has rewarded the company time and time again in the winning of major contracts and tenders.

OUTLOOK FOR 2019 AND BEYOND

The 2019 financial year outlook is outstanding. The company's future in year 2020 and beyond is now brighter than ever.

Domestic and export contracts plus our order books are the strongest they have ever been by multiples which is the key to business performance. In order to manage this growth the leadership team has been restructured through senior and middle level appointments to align ourselves to the new base-line production and shipping levels. We are now a corporation;

- With greatly enhanced production capacity now proven to perform at those higher outputs.
- More appropriately geared through investing in the company's own premises and new production machinery.
- With a focus on growing sales and profit more aligned with the changed business and changed expectations of our shareholders and stakeholders.
- Taking its place in the future of Fiji's capital market and export industries.
- Remaining focused on our people and our social and environmental targets and responsibilities.
- More automated with higher efficiency and quality and more able to satisfy its customers while reducing labour costs.

FY 2019 is shaping up to be a great year for the business. Forecasts by our marketing team see that trend continuing into and beyond 2020.

We have a stronger leadership team now in finance, engineering and production to help steer the company through this period of strong growth. Our plans are set for building our export growth to take advantage of our new capacity.

My thanks go to our board of directors for their contribution to company performance through their dedication, counsel and support. Thank you to our leadership team and employees for their individual and team efforts.

Lastly allow me to recognise our shareholders. I look forward to welcoming you at the AGM and thanking you personally.

Warwick Pleass
Managing Director and Chairman

FINANCIAL CAPITAL

$12.2 million revenue	$6.8 Million profit before tax	92¢ earning per share

INSTITUTIONAL CAPITAL

iTQi Taste Award for Superior Taste for Vaiwai®	Only water bottler in the Pacific region that has "approved" products with organic certificate	Rare and unique water source. Premium artesian water that is renowned for its purity and taste.

CUSTOMER CAPITAL

Over 4000 active customers	Over 40,000 Facebook fans Over 10,000 Instagram fans Repeated renewal of major contracts - testimony to customer service and our brands.

EMPLOYEE CAPITAL

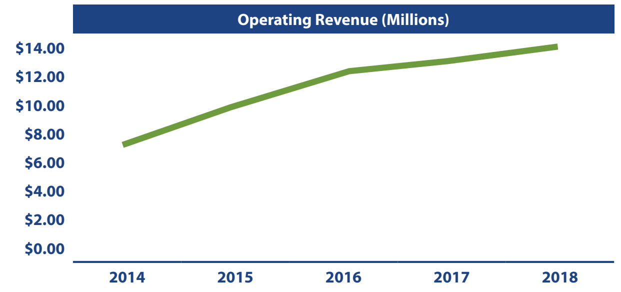
135 Employees	Productivity and Team Work	Company's unique culture

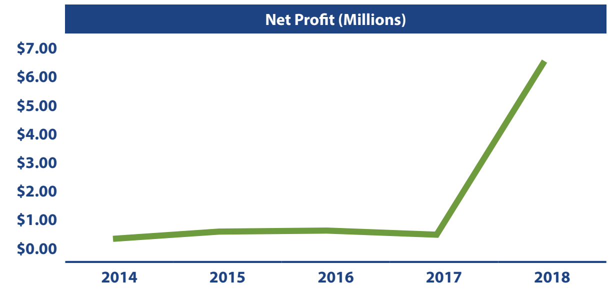
SOCIAL AND ENVIRONMENT CAPITAL

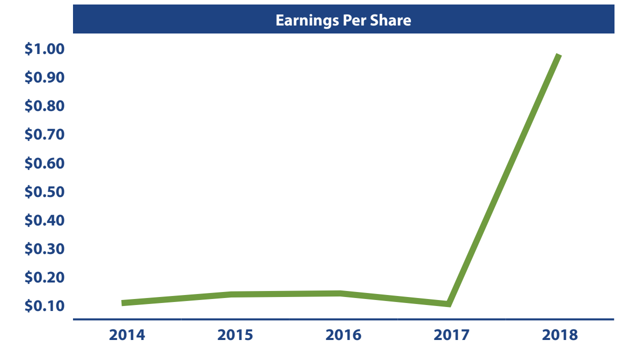
Platinum sponsorship to Rotary Pacific Water for Life	Dedicated to improve education	Increased recycled rates by 350%

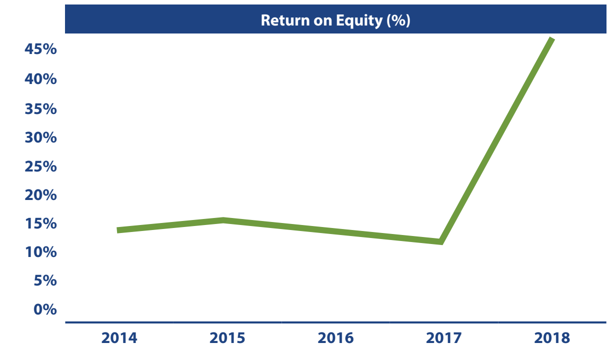
Financial Highlights

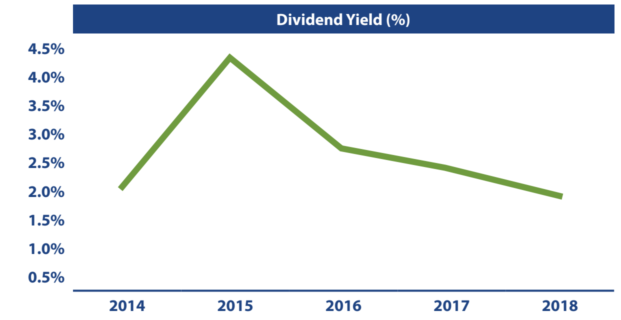
For the year ended 31st December 2018

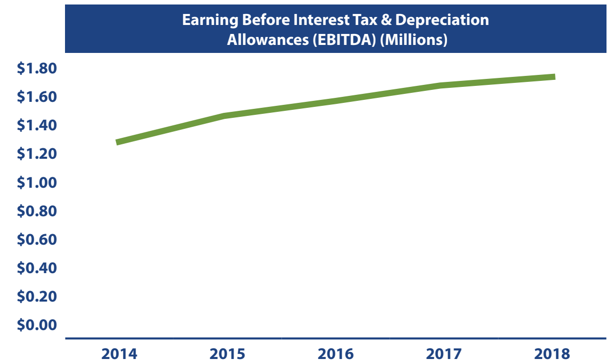


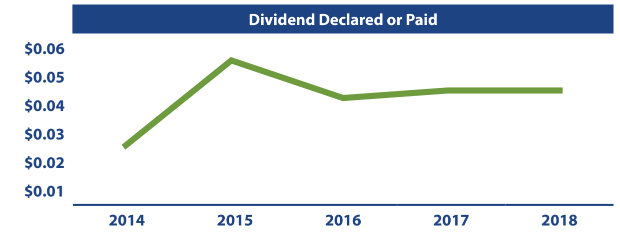


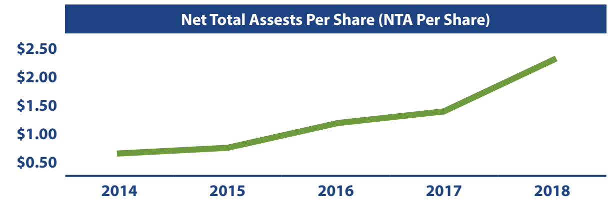


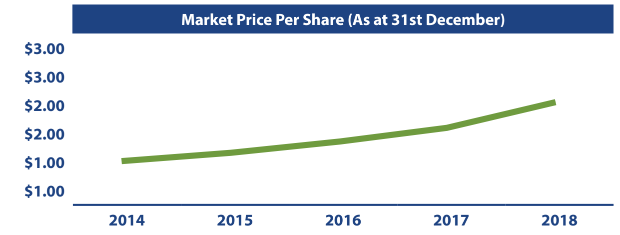


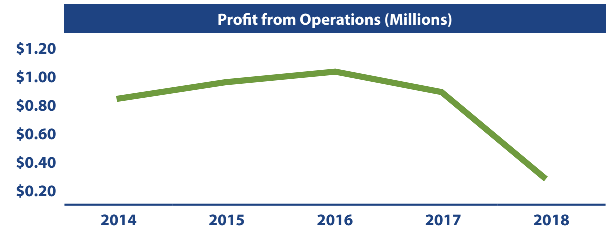




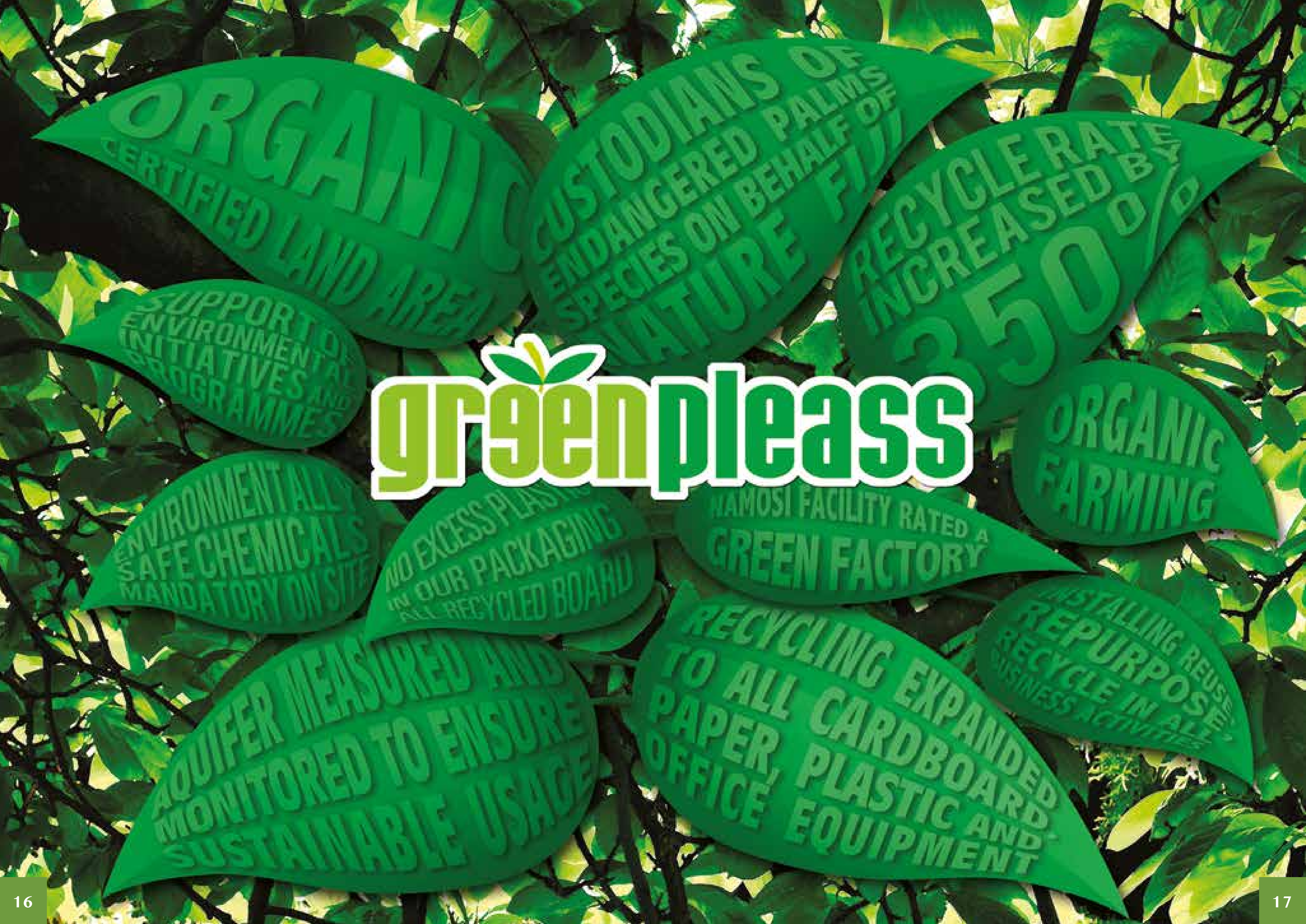








We are Pleass Global


ORGANIC
CERTIFIED LAND AREA
CUSTODIANS OF
ENDANGERED PALMS
SPECIES ON BEHALF OF
NATURE FIJI
RECYCLE RATE
INCREASED BY
350%
SUPPORT OF
ENVIRONMENTAL
INITIATIVES AND
PROGRAMMES
greenpleass
ORGANIC
FARMING
ENVIRONMENTALLY
SAFE CHEMICALS
MANDATORY ON SITE
NO EXCESS PLASTIC
IN OUR PACKAGING
ALL RECYCLED BOARD
NAMOSI FACILITY RATED A
GREEN FACTORY
INSTALLING REUSE,
REPURPOSE,
RECYCLE IN ALL
BUSINESS ACTIVITIES
AQUIFER MEASURED AND
MONITORED TO ENSURE
SUSTAINABLE USAGE
RECYCLING EXPANDED
TO ALL CARDBOARD,
PAPER, PLASTIC AND
OFFICE EQUIPMENT

Pleass Global Limited | VAIWAI®

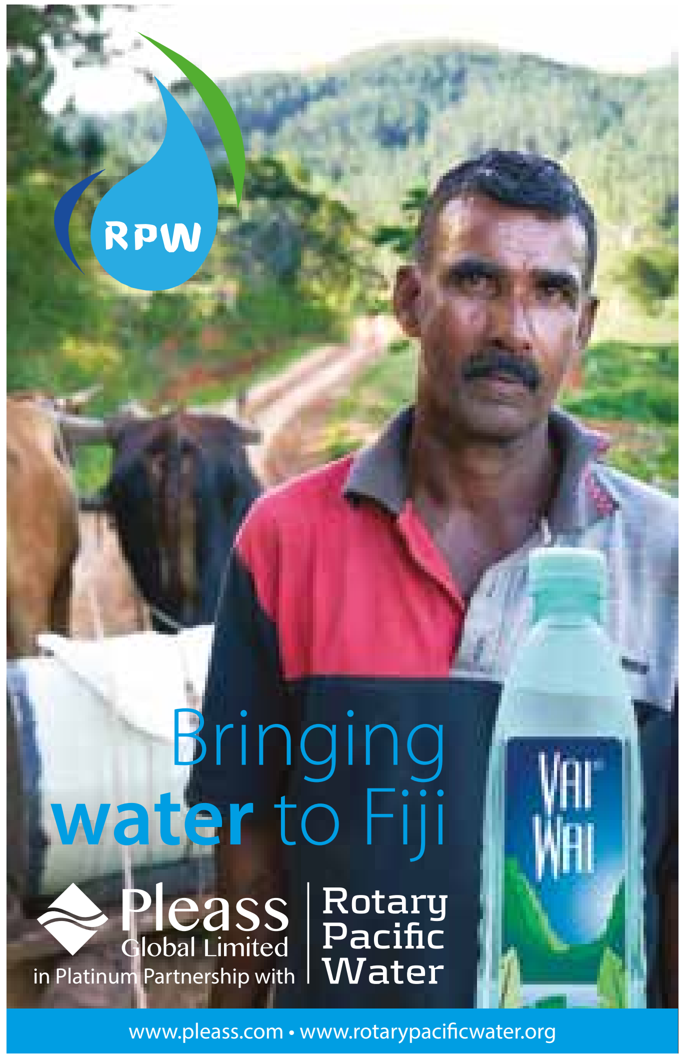
in Platinum Partnership with

Rotary Pacific Water

Vision
To enable rural communities to have better access to safe drinking water and sanitation.

Mission
To provide rural water infrastructure solutions and foster community ownership.

Goal
To achieve better access to rural water and sanitation wellbeing.



- **Using innovative engineering solutions.**
- **Stimulating community involvement.**
- **Cultivating healthy WASH practices.**
- **Creating smart partnerships.**

- **Technical Assessment**
  This begins with a technical assessment of the site in consultation with custodians of the water source.
- **Water Committee**
  An organised water committee, including women and youth representatives, oversees the management of water resources and wellbeing of the community.
- **Project Design**
  Our experienced team engineer solutions which are reviewed by an expert technical committee.
- **Construction**
  Able members of the community build their water scheme with guidance from our Projects team.
- **Wash Outreach**
  Cultivating healthy water, sanitation and hygiene practice in the community is a key component of our projects.
- **Maintenance Training**
  Operations and maintenance training promotes dialogue, inclusive participation and active learning about tailored water conservation strategies.
- **Follow up & Evaluation**
  We provide ongoing technical support to water committees and evaluate our projects after completion.

Corporate Governance

At Pleass Global Limited (PGL), the Board of Directors is committed to achieving the highest standards of corporate governance and business conduct.

ROLE OF THE BOARD

The role of the Board is to delegate management responsibilities, promote ethical and responsible decision making, and to enhance company value for shareholders in accordance with good corporate governance principles.

THE BOARD

The Board is comprised of 6 directors including managing director, two independent directors; two executive directors and one non-executive director at the end of the financial year 2018. All appointments and election of directors are confirmed at the Annual General Meeting. All new directors participate in a formal induction process co-ordinated by the Chairman. This induction process includes briefings on

Corporate Governance (continued)

the company's financials, risk management position, the company's governance framework, culture and values and key developments in the company and the industry and environment in which it operates. The Board has set up an Audit Committee.

BOARD MEETINGS

All directors participate in discussing strategy, performance and financial / risk management of the company. The Board is structured to facilitate open discussion in Board meetings. In addition to formal Board meetings, the directors regularly meet informally to review company direction, strategy and recent developments, risks and opportunities. The participation in Board and committee meetings during the year was as follows:

	Board	
Directors	Entitled Meetings	Meetings attended
Warwick Glenn Pleass	4	4
Catherine Pleass	4	4
Bruce Sutton	4	4
Fomiza Bano	4	4
Ashnil Prasad	4	1
Latileta Qoro	4	4

	Audit Committee	
Directors	Entitled Meetings	Meetings attended
Warwick Glenn Pleass	2	2
Bruce Sutton	2	2
Latileta Qoro	2	2

RESPONSIBILITIES OF THE BOARD

The Board is responsible for overseeing the company management, including its control and accountability systems. PGL Memorandum & Articles of Association state the powers and responsibilities of directors are to manage the company effectively and efficiently. The Board reviews year to date financial statements and year end forecasts, budgets for the financial performance of the company and monitors results, new business developments and the company plans.

The Management Accountant is responsible for preparing monthly analysis, working closely with the respective managers to ensure improvements are maintained to minimize costs and maximize output. The Board is informed on these matters regularly and urgent matters are discussed and decided via flying minutes.

CONSTITUTING AN EFFECTIVE BOARD

The Board considers that it has an appropriate mix of skills, experience and expertise, to enable it to effectively

Corporate Governance (continued)

discharge its responsibilities and to be well equipped to help the company navigate the range of challenges that it faces.

THE BOARD COMMITEE

Audit Committee

Role and responsibilities of the Audit Committee are:

- overseeing the relationship with the external auditor including reviewing and agreeing on the terms of engagement and fees for the external auditor;
- assisting the Board in discharging its responsibilities by monitoring and advising on matters relating to financial reporting, risk management, internal control, internal and external audit, corporate governance, compliance and matters that may significantly impact the financial condition or affairs of the business;
- reviewing the external auditor's proposed annual audit scope and audit approach, including materiality levels;
- reviewing and monitoring of financial reporting, audit and risk management strategies, systems, policies and processes implemented, and reported on, by management.

APPOINTMENT OF A CHIEF EXECUTIVE OFFICE (MANAGING DIRECTOR)

Majority of shares are held by the Managing Director. The General Manager manages the day-to-day operations with the assistance of all departmental managers. The Managing Director also chairs the Board of Directors.

BOARD AND COMPANY SECRETARY

The Chief Marketing Officer is also managing the secretarial responsibilities ensuring compliance with regulatory and statutory requirements.

TIMELY AND BALANCED DISCLOSURE

The Board of directors receives monthly reports to review and decide on major issues of the company. The company periodically releases the required information to the public by way of market announcements, as per requirement under the rules of South Pacific Stock Exchange and the Reserve Bank of Fiji.

ETHICAL AND RESPONSIBLE DECISION MAKING

PGL guides its directors and other officers through its policies and code of conduct in making ethical and responsible decisions.

REGISTER OF INTERESTS

Directors and officers of the company are obliged to disclose any conflicts of interest that may arise in the course of the business. Directors are required to take all reasonable steps to avoid any potential or perceived conflicts of interest.

COMMUNICATION WITH SHAREHOLDERS

The Board places great importance on a clear, open and transparent channel of communication with all its Shareholders. It endeavours to keep them regularly informed on matters pertaining to and affecting the Company by official market announcements, disclosures in the Annual Report and at the Annual General Meeting of Shareholders, which all Board members and Shareholders, are encouraged to attend.

Additionally, shareholders are often in communication with the Managing Director and executives on various aspects of the business, and this interaction is encouraged.

ACCOUNTABILITY AND AUDIT

PGL is audited annually by an independent auditor who provides audited financial reports to the company who in turn provides this to all shareholders. External auditors are appointed every year by the shareholders in the Annual General Meeting.

RISK MANAGEMENT

PGL has established very sound risk management procedures and practices across all departments to identify and manage operational risks with appropriate controls and procedures in place to mitigate and manage those risks.

Director's Report

In accordance with a resolution of the Board of Directors, the directors herewith submit the statement of financial position of Pleass Global Limited (the company) as at 31 December 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 and report as follows:

DIRECTORS

The names of the directors in office at the date of this report are:

Warwick Pleass	Catherine Pleass
Bruce Sutton	Fomiza Feroza Bano
Latileta Qoro	Ashnil Prasad

PLEASS GLOBAL LIMITED 2018 ANNUAL REPORT

Director's Report (continued)

PRINCIPAL ACTIVITIES

The principal activities of the Company were manufacture and sale of non – alcoholic beverages, importation and wholesale of packaging materials and the operations of Kila Eco Adventure Park. There were no significant changes in the nature of these activities during the financial year.

RESULTS

The results for the year are as follows:

	2018 ($)	2017 ($)
Profit from operations	250,406	827,691
Change in fair value of investment property	6,530,000	-
Profit before income tax	6,780,406	827,691
Income tax expense	(689,741)	(92,354)
Profit for the year	6,090,665	735,337

DIVIDENDS

The dividends declared and/or paid during the year was $264,000 (2017: $264,000). Details of the dividends declared and / or paid are as follows:

Year	Cents per share	Date declared	2018 ($)	2017 ($)
2018 Interim	2 cents	22-Nov-18	132,000	-
2017 Final	2 cents	17-May-18	132,000	-
2017 Interim	2 cents	21-Nov-17	-	132,000
2016 Final	2 cents	13-Jun-17	-	132,000
			264,000	264,000

Director's Report (continued)

RESERVES

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

BASIS OF ACCOUNTING - GOING CONCERN

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

BAD AND DOUBTFUL DEBTS

Prior to the completion of the company's financial statements, the directors took reasonable steps to ascertain that action has been taken in relation to writing off of bad debts and the making of allowance for impairment loss. In the opinion of directors, adequate allowance has been made for impairment loss.

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 allowance for impairment loss in the company, inadequate to any substantial extent.

CURRENT AND NON-CURRENT ASSETS

Prior to the completion of the financial statements of the company, the directors took reasonable steps to ascertain whether any current and non-current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the company. Where necessary, these assets have been written down or adequate allowance has been made to bring the 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 current and non-current assets in the company's financial statements misleading.

UNUSUAL TRANSACTIONS

In the opinion of the directors, the results of the operations of the company during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report, any item, transaction or event of a material unusual nature, likely in the opinion of the directors, to affect substantially the results of the operations of the company in the current financial year.

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which would require adjustments to, or disclosure in the financial statements.

OTHER CIRCUMSTANCES

As at the date of this report:

(i) no charge on the assets of the company 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 company could become liable; and

(iii) no contingent liabilities or other liabilities of the company has become or is 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 company 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 company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the company misleading or inappropriate.

PLEASS GLOBAL LIMITED 2018 ANNUAL REPORT

Director's Report (continued)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in the financial statements as emoluments) by reason of a contract made by the company or by a related corporation with the director or with a firm of which he / she is a member, or with a company in which he / she has a substantial financial interest.

For and on behalf of the board and in accordance with a resolution of the board of directors.

Dated this 28th day of March 2019.

Director

Director

Director's 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 31 December 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 31 December 2018 and of the performance and cash flows of the company for the year ended 31 December 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 board of directors.

Dated this 28th day of March 2019.

Director

Director

BDO

Tel: +679 331 4300
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Offices in Suva & Lautoka

BDO
Chartered Accountants
Level 10, FNPF Place, 343 Victoria Parade
GPO Box 855, Suva, Fiji

Auditor's independence declaration to the directors of Pleass Global Limited

As auditor for the audit of Pleass Global Limited for the financial year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

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

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

Wathsala Suraweera
Partner
Suva, Fiji

BDO
CHARTERED ACCOUNTANTS

28 March 2019

PLEASS GLOBAL LIMITED 2018 ANNUAL REPORT

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Independent Auditor's Report

To the Shareholders of Pleass Global Limited Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Pleass Global Limited (the Company), which comprise the statement of financial position as at 31 December 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 31 December 2018, and of its financial performance and its 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to 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.

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

EMPHASIS OF MATTER

Without modifying our opinion, we draw your attention to the following matter.

As referred to in Note 11, trade receivables include a gross amount of around $686,000 (2017: $700,000) receivable from two overseas based debtors which are overdue. As such, there is a material uncertainty that the company will be able to recover these debtors in full.

Whilst the management is of the view that these receivable balances are fully recoverable, allowance for impairment loss amounting to $276,000 (2017: $100,000) has been made by the company as a prudent measure. However, uncertainties continue to surround the recoverability of the carrying receivable balances in respect to these two debtors.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

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Independent Auditor's Report (continued)

TO THE SHAREHOLDERS OF PLEASS GLOBAL LIMITED (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE MATTER
VALUATION OF TRADE RECEIVABLES	
As outlined in Note 11, there were trade receivables as at 31 December 2018 more than 180 days past due. The collectability of the Company's trade receivables and the allowance for impairment under expected credit loss model for trade receivables is a key audit matter due to the judgments involved.	Our audit procedures included, amongst other things, the following: • Evaluating and testing the Company's processes for trade receivables including the provisioning and collection processes. • Reviewed methodology developed by the management in relation to assessment of credit losses in line with expected credit loss model to assess the reasonability of expected loss ratio calculations based on history of losses and forecast for future. Evaluated the accuracy of data used and reasonability of matrix developed. • Assessing the recoverability of a sample of outstanding trade receivable balances by comparing management's views of recoverability of amounts outstanding to historical patterns of receipts, in conjunction with assessing cash received subsequent to year end for its effect in reducing amounts outstanding at year end; • Where there were indicators that trade receivables were unlikely to be collected in full, we assessed the adequacy of the allowance for impairment of those specific trade receivables. To do this we: - assessed the ageing of trade receivables, disputes with customers and the past payment and credit history of the customer; - assessed the profile of trade receivables and the economic environment applicable to these customers;

PLEASS GLOBAL LIMITED 2018 ANNUAL REPORT

Independent Auditor's Report (continued)

TO THE SHAREHOLDERS OF PLEASS GLOBAL LIMITED (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE MATTER
VALUATION OF TRADE RECEIVABLES (CONTINUED)	
	To do this we: (continued) - evaluated other evidence including customer correspondence; - questioned management's knowledge of the current and future conditions that may impact expected customer receipts; and - considered the historical accuracy of forecasting the allowance for impairment of trade receivables. • An Emphasis of Matter paragraph has been included in this Report in relation to the uncertainties surrounding the recoverability of carrying value of two overseas based debtors.
VALUATION OF LAND ($1,370,000) AND INVESTMENT PROPERTY ($8,600,000)	
Refer to Note 13 and Note 14 to the Financial Statements. Valuation of land and investment property is considered to be a key audit matter due to: • the significance of the land and investment property to the financial statements of the Company; • the nature of the property which requires judgement by us to assess the appropriateness of the valuation methodology and inputs. The Company has appointed external valuer to assist in this process; and • the low volume of comparable market transactions for properties available to corroborate valuation inputs and assumptions such as rents, yields, capitalization rates and discount rates.	Our audit procedures included: • assessing the scope, expertise and independence of the external valuer used by the Company; • evaluating the Company's process for reviewing and adopting the valuation by comparing to the Company's internal processes for assessing valuations; • evaluating the appropriateness of the valuation methodology selected by valuer to determine the fair value of the properties to accepted market practices and our industry experience; and • independently assessing the key inputs adopted by the valuer to available market transactions for similar properties and other comparable property classes.

Independent Auditor's Report (continued)

TO THE SHAREHOLDERS OF PLEASS GLOBAL LIMITED (CONTINUED)

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we will 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistwent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We have nothing to report in this regard, as other information was not available to us for our review during the audit.

RESPONSIBILITIES OF THE MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

The management and directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the Companies Act 2015, and for such internal control as the management and directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and directors 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 management and directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The management and directors 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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and 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 ISA, we exercise professional judgement 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 management.

Independent Auditor's Report (continued)

TO THE SHAREHOLDERS OF PLEASS GLOBAL LIMITED (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the management's and directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that 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 management and directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the management and 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 management and directors, we determine those matters that were of most significance in the audit of the financial statements of 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in accordance with the requirements of the 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.

BDO

BDO
CHARTERED ACCOUNTANTS

Wathsala Suraweera
Partner
Suva, Fiji

28 March 2019

Statement of Profit or Loss & Other Comprehensive Income

For the year ended 31st December 2018

	Notes	2018 ($)	2017 ($)
Operating revenue	6	12,199,828	11,528,859
Cost of sales		(5,100,939)	(4,782,170)
Gross profit		7,098,889	6,746,689
Other revenue	7.1	204,733	189,970
Operating Results		**7,303,622**	**6,936,659**
Impairment loss on trade receivables		(176,000)	(139,729)
Employee benefits expense	7.3	(2,730,357)	(2,722,372)
Other operating expenses	7.2	(2,683,342)	(2,448,803)
Earnings before Interest, Tax and Depreciation Allowances (EBITDA)		**1,713,923**	**1,625,755**
Depreciation and amortisation expense		(1,008,253)	(698,072)
Profit from operating activities		**705,670**	**927,683**
Finance costs	7.4	(455,264)	(99,992)
Profit from operations		**250,406**	**827,691**
Change in fair value of investment property		6,530,000	-
Profit before income tax		**6,780,406**	**827,691**
Income tax expense	8(a)	(689,741)	(92,354)
Net profit for the year		**6,090,665**	**735,337**
Other comprehensive income			
Items that will not be reclassified to profit or loss; - Revaluation surplus on land, net of deferred capitals gain tax	13	297,000	-
Other comprehensive income for the year, net of tax		297,000	-
Total comprehensive income for the year, net of tax		**6,387,665**	**735,337**
Earnings per share			
Basic earnings per share	9	0.92	0.11

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

Statement of Financial Position

As at 31st December 2018

	Notes	2018 ($)	2017 ($)
Current Assets			
Cash on hand and at banks	19	24,905	67,522
Trade and other receivables	11	2,926,766	3,899,869
Inventories	12	2,341,976	2,026,498
Advance tax	8(b)	40,636	-
Total current assets		5,334,283	5,993,889
Non-Current Assets			
Deferred tax assets	8(c)	73,311	48,802
Intangible assets	15	77,881	71,663
Property, plant and equipment	13	15,821,929	15,346,838
Investment property	14	8,600,000	2,070,000
Total non-current assets		24,573,121	17,537,303
TOTAL ASSETS		29,907,404	23,531,192
Current Liabilities			
Interest bearing borrowings	17	2,149,384	2,625,297
Employee entitlements	18	173,596	183,211
Current tax liabilities	8(b)	-	27,402
Trade and other payables	16	1,499,295	1,481,781
Total current liabilities		3,822,275	4,317,691
Non-Current Liabilities			
Interest bearing borrowings	17	8,894,736	8,731,830
Deferred tax liabilities	8(d)	865,240	173,349
Loan from related party	21(b)	1,581,294	1,599,044
Total non-current liabilities		11,341,270	10,504,223
TOTAL LIABILITIES		15,163,545	14,821,914
NET ASSETS		**14,743,859**	**8,709,278**
SHAREHOLDERS' EQUITY			
Share capital	20(a)	3,100,000	3,100,000
Asset revaluation reserve	20(b)	1,001,383	704,383
Retained earnings		10,642,476	4,904,895
TOTAL SHAREHOLDERS' EQUITY		**14,743,859**	**8,709,278**

The above statement of financial position should be read in conjunction with the accompanying notes.

Director **Director**

For and on behalf of the board and in accordance with a resolution of the board of directors.

Statement of Changes in Equity

For the year ended 31st December 2018

	Notes	Share Capital ($)	Asset Revaluation Reserve ($)	Retained Earnings ($)	Total ($)
Balance as at 1 January 2017		3,100,000	704,383	4,433,558	8,237,941
Total Comprehensive Income for the year					
Profit for the year		-	-	735,337	735,337
Total Comprehensive Income for the year		-	-	735,337	735,337
Transactions with Owners of the Company					
Dividends declared and / or paid	10	-	-	(264,000)	(264,000)
Total Transactions with Owners of the Company		-	-	(264,000)	(264,000)
Balance as at 31 December 2017		**3,100,000**	**704,383**	**4,904,895**	**8,709,278**
Impact of adjustment on initial recognition of IFRS 9 (net of tax)				(89,084)	(89,084)
Adjusted balance as at 1 January 2018		**3,100,000**	**704,383**	**4,815,811**	**8,620,194**
Total Comprehensive Income for the year					
Profit for the year		-	-	6,090,665	6,090,665
Other Comprehensive Income					
Revaluation surplus on land, net of deferred capital gains tax	20	-	297,000	-	297,000
Total Other Comprehensive Income for the year		-	297,000	-	297,000
Total Comprehensive Income for the year		-	**297,000**	**6,090,665**	**6,387,665**
Transactions with Owners of the Company					
Dividends declared and / or paid	10	-	-	(264,000)	(264,000)
Total Transactions with Owners of the Company		-	-	(264,000)	(264,000)
Balance as at 31 December 2018		**3,100,000**	**1,001,383**	**10,642,476**	**14,743,859**

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

Statement of Cash Flow

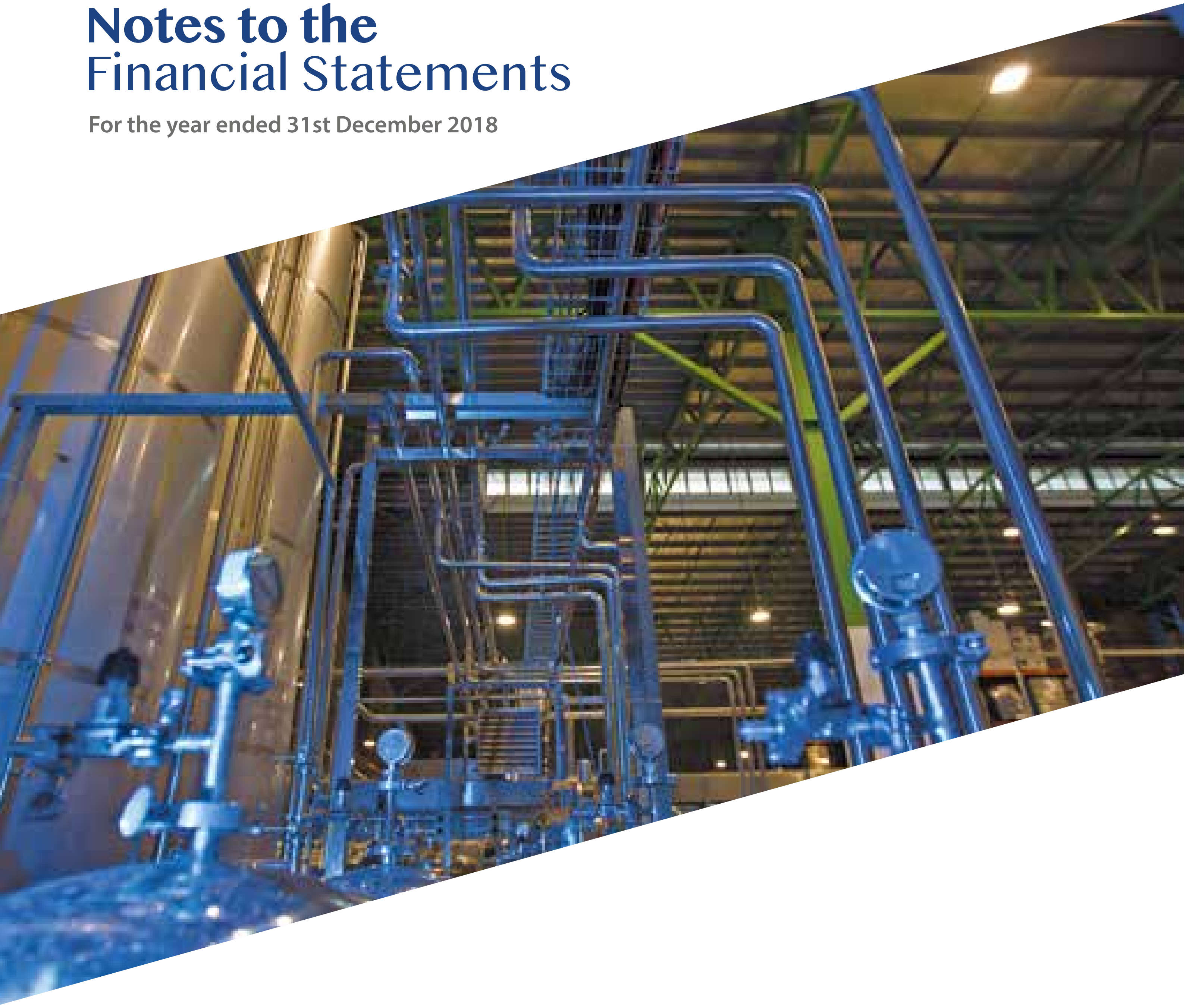
For the year ended 31st December 2018

	Notes	Inflows/ (Outflows) 2018 ($)	Inflows/ (Outflows) 2017 ($)
Cash flows from operating activities			
Receipts from customers		12,986,232	10,870,574
Payments to suppliers and employees		(10,667,048)	(9,374,433)
Interest paid		(455,264)	(99,992)
Income taxes paid	8(b)	(113,501)	(136,682)
Net cash provided by operating activities		1,750,419	1,259,467
Cash flows from Investing activities			
Payments for property, plant and equipment		(1,042,018)	(6,467,445)
Payments for intangible assets		(10,316)	-
Proceeds from the disposal of property, plant and equipment		90,136	16,514
Net cash used in investing activities		(962,198)	(6,450,931)
Cash flows from Financing activities			
Repayment of advances from related party		(120,000)	-
Proceeds from / (repayment of) term loan, net		(297,471)	3,722,641
Repayment of finance lease liability, net		(41,449)	(9,721)
Dividends paid		(193,831)	(121,836)
Net cash provided by/(used in) financing activities		(652,751)	3,591,084
Net increase / (decrease) in cash and cash equivalents		135,470	(1,600,380)
Cash and cash equivalents at beginning of the year		(1,318,395)	281,985
Cash and cash equivalents at the end of the year	19 (a)	(1,182,925)	(1,318,395)

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

Notes to the Financial Statements

For the year ended 31st December 2018



NOTE 1. GENERAL INFORMATION

a) CORPORATE INFORMATION

Pleass Global Limited (the company) is a limited liability company incorporated and domiciled in Fiji. The company is listed on the South Pacific Stock Exchange. The address of its registered office and principal place of business is located at Pleass Drive, Namosi Road, Namosi, Fiji.

b) PRINCIPAL ACTIVITIES

The principal activities of the company during the year were that of manufacture and sale of non – alcoholic beverages, importation and wholesale of packaging materials and the operations of KILA Eco Adventure Park.

There were no significant changes in these activities during the financial year.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 2. BASIS OF PREPARATION

a) BASIS OF PREPARATION

The financial statements of Pleass Global Limited have been prepared in accordance with the historical cost accounting except for investment property and land that has been measured at fair value. The financial statements are prepared in Fijian dollars and all values are rounded to the nearest dollar except when otherwise indicated.

In the application of IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the future periods are disclosed, where applicable, in the relevant notes to the financial statements.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in note 5.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

b) STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as required by the Fiji Institute of Accountants and with the requirements of the Companies Act, 2015.

c) COMPARATIVES

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

d) CHANGES IN ACCOUNTING POLICIES

Except for the changes below, the company has consistently applied the accounting policies to all periods presented in these financial statements.

New Standards Applied by the Entity – IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers

I. IFRS 9 FINANCIAL INSTRUMENTS

The company adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of 1 January 2018. The requirements of IFRS 9 represent a significant change from IAS 39 *Financial Instruments: Recognition and Measurement.*

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

d) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

I. IFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

The nature and effects of the key changes to the company's accounting policies resulting from its adoption of IFRS 9 are summarised below.

As a result of the adoption of IFRS 9, the company adopted consequential amendments to IAS 1 *Presentation of Financial Statements* which requires impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income (OCI). Previously, the company's approach was to include the impairment of trade receivables in other operating expenses. Additionally, the company adopted consequential amendments to IFRS 7 *Financial Instruments: Disclosures* that are applied to disclosures about 2018 but generally have not been applied to comparative information.

i) Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. The impact of transition of instruments in these categories is detailed in note 2 (d) A(iv) and note 3(e).

For an explanation of how the company classifies and measures financial assets and accounts for related gains and losses under IFRS 9, refer note 3(e).

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies for financial liabilities.

ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39 – see note 3(vi).

iii) Transition

Changes in accounting policies resulting from the adoption of IFRS 9 (2014) have been applied retrospectively, except as described below:

- Comparative periods have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings as at 1 January 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:
  - The determination of the business model within which a financial asset is held.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

d) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

I. IFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

iii) Transition (Cont'd)

The following table summarises the impact, net of tax, of transition to IFRS 9 on retained earnings at 1 January 2018:

	Impact of Adopting IFRS 9 at 1 January 2018
Closing balance under IAS 39 (31 December 2017)	4,904,895
Recognition of expected credit losses under IFRS 9	(98,980)
Impact on deferred tax asset	9,896
Opening balance under IFRS 9 (1 January 2018)	4,815,811

iv) Classification of financial assets and financial liabilities on the date of initial application of IFRS 9.

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the company's financial assets and financial liabilities as at 1 January 2018:

	Note	Original Classification Under IAS 39	New Classification Under IFRS 9	Original Carrying Amount Under IAS 39 ($)	New Carrying Amount Under IFRS 9 ($)
Financial assets					
Trade and other receivables	11	Loans & receivables	Amortised cost	3,899,869	3,800,889
Cash on hand and at banks		Loans & receivables	Amortised cost	67,522	67,522
Total financial assets				**3,967,391**	**3,868,411**
Financial liabilities					
Trade payables	16	Other financial liabilities	Other financial liabilities	1,481,781	1,481,781
Interest Bearing Borrowings	17	Other financial liabilities	Other financial liabilities	11,357,127	11,357,127
Related party loan	21(b)	Other financial liabilities	Other financial liabilities	1,599,044	1,599,044
Total financial liabilities				**14,437,952**	**14,437,952**

The company accounting policies on the classification of financial instruments under IFRS 9 are set out in Note 3(e). The application of these policies resulted in the reclassifications set out in the table above and explained below.

a) Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. An increase of $98,980 in the allowance for impairment was recognised in opening retained earnings at 1 January 2018 on transition to IFRS 9.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

d) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

I. IFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

iv) Classification of financial assets and financial liabilities on the date of initial application of IFRS 9. (Cont'd)

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on transition to IFRS 9 on 1 January 2018.

	IAS 39 Carrying Amount at 31 December 2017 ($)	Re-classification ($)	Re-measurement ($)	IFRS 9 Carrying Amount at 1 January 2018 ($)
Financial assets				
Amortised cost				
Cash on hand and at banks:		-	-	
Brought forward: Loans and receivables	67,522	-	-	-
Carried forward: Amortised cost	-	-	-	67,522
Trade and other receivables:				
Brought forward: Loans and receivables	3,899,869	-	-	
Re-measurement	-	-	(98,980)	-
Carried forward: Amortised cost	-	-	-	3,800,889
Total amortised cost	3,967,391	-	(98,980)	3,868,411

II. IFRS 15 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The company adopted IFRS 15 *Revenue from Contracts with Customers* with a date of initial application of 1 January 2018. As a result, the company has changed its accounting policy for revenue recognition as detailed below.

The company applied IFRS 15 using the cumulative effect method - i.e by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance to equity at 1 January 2018 and applying the requirements only to contracts that are not completed contracts at the date of initial application. Therefore the comparative information has not been restated and continue to be reported under IAS 18. There has been no material quantitative impact on the initial application of IFRS 15.

New standards, amendments, annual improvements and interpretation that have been issued but are not mandatorily effective as at 31 December 2018.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

d) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

III. IFRS 16 – LEASES

IFRS 16 Leases, which supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. Under IFRS 16, leases are recorded on the balance sheet by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities.

IFRS 16 applies to annual periods commencing on or after 1 January 2019. Earlier adoption is permitted, but only IFRS 15 Revenue from Contracts with Customers is also adopted. The company is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) FOREIGN CURRENCIES

The financial statements are presented in Fijian dollars, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at balance date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction.

b) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment except for land is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss.

Depreciation is calculated on a straight line basis over the useful lives of the assets as follows:

Building	2% - 12%
Plant and equipment	6.66% - 24 %
Motor vehicles	18%
Office equipment, furniture & fittings	7% - 24%
Water coolers	24%
Kila World equipment	6.67% - 24%

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss as the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Land is measured at revalued amounts. Valuations are performed with sufficient frequency to ensure that the revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the statement of profit or loss, the increase is recognised in the statement of profit and loss. A revaluation deficit is recognised in the statement of comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

c) IMPAIRMENT OF NON-FINANCIAL ASSETS

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, an appropriate value model is used.

For impaired assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the statement of profit or loss.

d) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost of finished goods is determined by the weighted average method and includes an appropriate proportion of fixed and variable production costs. Raw materials comprise of invoice value plus customs duty and other relevant costs to bring inventory to store. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) INVENTORIES (CONTINUED)

make the sale. Allowance for inventory obsolescence are raised based on a review of inventories. Inventories considered slow moving obsolete or un-saleable are written off or brought down to their estimated realizable amount in the year in which they are identified.

e) FINANCIAL INSTRUMENTS

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment – Policy applicable from 1 January 2018

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) FINANCIAL INSTRUMENTS (CONTINUED)

ii) Classification and subsequent measurement (Cont'd)

Financial Assets: Business model assessment - Policy applicable from 1 January 2018 (cont'd)

particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and,
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and,
- terms that limit the Company's claim to cash flows from specified assets (e.g. nonrecourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) FINANCIAL INSTRUMENTS (CONTINUED)

ii) Classification and subsequent measurement (Cont'd)

Financial assets: Reclassifications– Policy applicable from 1 January 2018

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the company changes its business model for managing financial assets.

Financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 January 2018

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Policy applicable before 1 January 2018

The company classifies its financial assets as required under IFRS. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The financial assets of the company comprises receivables. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. The Company's receivables comprise 'trade and other receivables' as disclosed in the statement of financial position (Note 11). Bad debts are written off during the period in which they are identified.

iii) Derecognition

Financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) FINANCIAL INSTRUMENTS (CONTINUED)

iv) Modifications of financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see note 3(e)(iii) on derecognition) and a new financial asset is recognised at fair value.

Policy applicable from 1 January 2018

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

If the terms of a financial asset were modified because of financial difficulties of the borrower and the asset was not derecognized, then impairment of the asset was measured using the pre-modification interest rate.

v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

vi) Impairment of Financial Instruments

Policy applicable from 1 January 2018

The company recognises loss allowances for ECLs on financial assets measured at amortised cost and measures loss allowances at an amount equal to lifetime ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) FINANCIAL INSTRUMENTS (CONTINUED)

vi) Impairment of Financial Instruments (Cont'd)

Policy applicable from 1 January 2018 (Cont'd)

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive); and
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit impaired.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) FINANCIAL INSTRUMENTS (CONTINUED)

vi) Impairment of Financial Instruments (Cont'd)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Policy applicable before 1 January 2018

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance 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 and default or delinquency in payments are considered indicators that a specific debtor balance is impaired. Impairment assessed at a collective level is based on past experience and data in relation to actual write-offs. Allowance is raised on a specific debtor level. The carrying amount of the asset is reduced through the use of the allowance account, and the amount of the loss is recognised in profit or loss. 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 in the statement of profit or loss.

f) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and on hand, and short term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdraft. Bank overdrafts are shown within interest bearing borrowings in current liabilities on the statement of financial position.

g) EMPLOYEE ENTITLEMENTS

Employee entitlements include amounts for wages and salaries, incentive payments, annual leave and sick leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements. Contributions to Fiji National Provident Fund by the company are expensed when incurred.

h) TRADE AND OTHER PAYABLES

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Company.

i) PROVISIONS

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) PROVISIONS (CONTINUED)

probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

j) LEASED ASSETS

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

Finance leases, which transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in statement of profit or loss. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the profit or loss on a straight line basis over the lease term.

Company as a lessor

Leases where the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

k) TAXES

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at balance date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in statement of profit or loss.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at balance date between the tax bases of

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) TAXES (CONTINUED)

Deferred tax (Cont'd)

assets and liabilities and their carrying amounts for financial reporting purposes.

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

- where the deferred tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. Deferred tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

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Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) TAXES (CONTINUED)

Capital Gains Tax

Capital Gains Tax (CGT) is applicable at 10% on capital gains realised on the sale or disposal of certain 'capital assets' as set out in the Income Tax Act. Accordingly, where capital assets are stated at fair value, a corresponding deferred tax liability is recognised on surplus/gain on valuation of capital assets at the rate of 10%.

Value Added Tax ("VAT")

Revenue, expenses, assets and liabilities are recognised net of the amount of VAT except:

- where the VAT incurred on purchase of assets or services is not recoverable from the taxation authority, in which case it is recognised as part of the acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables which are recognised inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

The VAT component of cash flows arising from operating and investing activities which is recoverable from or payable to, the taxation authority is classified as operating cash flows.

l) REVENUE RECOGNITION

Policy applicable from 1 January 2018

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control over a product or service to a customer.

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Finished Goods	Sales revenue is recognized when the company has transferred to the customer the signification risks and rewards of the ownership of the goods.
Life-Time Usage Deposit	50% sales revenue is recognized when the company has transferred the customer the water cooler and reward of the ownership of the goods and remaining 50% is recognized a revenue upon the water coolers being returned.

Policy applicable before 1 January 2018

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. The revenue of the company represents income earned from the sale of the Company's products and rental of coolers. These are stated net of returns, trade allowances and VAT.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share (EPS) is determined by dividing net profit after income tax attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

n) SEGMENT INFORMATION

An operating segment is a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from other operating segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are different from those of segments operating in other economic environment.

Operating segments

The Company's major operating segments are wholesaling packaging materials, trading non-alcoholic beverages and operating the Kila Eco Adventure Park.

o) DIVIDENDS

Dividends are recorded in the Company's financial statements in the year in which they are declared or approved.

p) INTANGIBLE ASSETS

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The intangible assets have finite lives and are amortised over the useful economic life and assessed for impairment whenever there is an indication. The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in its respective expense category.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

q) INVESTMENT PROPERTIES

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the period in which they arise, including the corresponding tax effect.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) LOANS AND BORROWINGS

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing borrowings. For more information refer Note 17.

s) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in statement of profit or loss in the year in which they are incurred.

t) FINANCE COSTS

The company's finance costs include:

- bank and loan administration charges;
- Interest expense on borrowings;
- Interest expense on lease liabilities.

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortised cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

u) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTE 4. RISK MANAGEMENT

Risk management is carried out by finance executives and management of the Company. Management and finance executives identify and evaluate financial risks in close co-operation with the Company's operating units. The Board of Directors provides direction for overall risk management covering specific areas, such as mitigating credit risks and investment of excess liquidity.

a) MARKET RISK

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 4. RISK MANAGEMENT (CONTINUED)

a) MARKET RISK (CONTINUED)

i) *Interest rate risk*

The company is exposed to interest rate risk as it borrows funds at variable interest rates. The company manages its interest rate risks by arranging fixed interest rates for certain years on the borrowed funds from financial institutions and related party.

i) *Interest rate risk (Cont'd)*

The risk is monitored and managed by directors within policy parameters. For additional borrowings, the company negotiates an appropriate interest rate with banks and other lenders and borrows from banks which offers the overall favourable terms, including the interest rate.

The carrying amounts of the Company's financial liabilities that are exposed to interest rate risk as at 31 December 2018 are summarised below:

	2018 ($)	2017 ($)
Financial Liabilities		
Bank overdraft (Note 17)	1,207,830	1,385,917
Term loan (Note 17)	9,574,460	9,871,931
Finance lease liability (Note 17)	261,830	99,279
Total Financial Liabilities	11,044,120	11,357,127

ii) *Foreign exchange risk*

The company undertakes various transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are closely managed within approved policy parameters. Changes in the exchange rate by 10% (increase or decrease) are not expected to have a significant impact on the net profit and equity balances currently reflected in the Company's financial statements.

b) CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management on a regular basis.

Trade accounts receivable consist of a large number of customers, spread across geographical areas. Ongoing credit evaluations are performed on the financial condition of accounts receivables. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the company's maximum exposure to credit risk.

Impairment losses on financial assets recognised in profit or loss were as follows:

	2018 ($)	2017 ($)
Impairment loss on trade and other receivables	176,000	139,729

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 4. RISK MANAGEMENT (CONTINUED)

b) CREDIT RISK (CONTINUED)

Trade and other receivable

Expected credit loss assessment for trade and other receivables as at 31st December 2018 and 31st December 2017

The company uses an allowance matrix to measure the ECLs of trade receivables from individual Customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 31 December 2018:

	Weighted Average Loss Rate	Gross Carrying Amount ($)	Loss Allowance ($)	Credit Impaired ($)
Current past due	1.81%	1,012,202	(18,313)	993,889
30 days past due	2.99%	636,321	(19,049)	617,272
60 days past due	8.25%	128,212	(10,580)	117,632
90 days past due	17.95%	43,618	(7,829)	35,789
More than 120 days past due	22.44%	545,320	(122,354)	422,966
		2,365,673	(178,125)	2,187,548
Debtors specifically assessed		685,808	(276,000)	409,808
Total		**3,051,481**	**(454,125)**	**2,597,356**

Loss rates are based on actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast GDP.

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows. Comparative amounts for 2017 represent the allowance account for impairment losses under IAS 39.

	2018 ($)	2017 ($)
Balance at 1 January per IAS 39	210,404	71,288
Adjustment on initial application of IFRS 9	98,980	-
Balance at 1 January per IFRS 9	309,384	71,288
Additional allowance	176,000	139,729
Allowance reversed	(31,259)	(613)
Balance at 31st December	454,125	210,404

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 4. RISK MANAGEMENT (CONTINUED)

b) CREDIT RISK (CONTINUED)

Cash on hand and at bank

The company held cash of $24,905 at 31st December 2018 (2017: $67,522). Cash are held with bank and financial institution counterparties, which have sound credit ratings.

The company considers that its cash have low credit risk based on the external credit ratings of the counterparties.

On initial application of IFRS 9, the company recognised $Nil impairment allowance as at 1 January 2018.

c) OPERATIONAL RISK

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

d) LIQUIDITY RISK

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash, marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

The table below summarises the maturity profile of the Company's financial liabilities at balance date based on contractual undiscounted payments.

	Fixed Maturity Dates			
	Within 1 Year ($)	1-5 Years ($)	> 5 Years ($)	Total ($)
2018				
Trade and other payables	1,499,295	-	-	1,499,295
Interest bearing borrowings	2,149,384	6,918,769	1,975,967	11,044,120
Amount owing to related party	-	1,581,294	-	1,581,294
	3,648,679	8,500,063	1,975,967	14,124,709
2017				
Trade and other payables	1,481,781	-	-	1,481,781
Interest bearing borrowings	2,625,297	3,317,860	5,413,970	11,357,127
Amount owing to related party	-	1,599,044	-	1,599,044
	4,107,078	4,916,904	5,413,970	14,437,952

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 4. RISK MANAGEMENT (CONTINUED)

e) CAPITAL RISK MANAGEMENT

The company policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's objectives when obtaining and managing capital are to safeguard the Company's ability to continue as a going concern and provide shareholders with consistent level of returns and to maintain an optimal capital structure to reduce the cost of capital. The company monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Company's statement of financial position plus net debt.

	2018 ($)	2017 ($)
Interest bearing borrowings (Note 17)	11,044,120	11,357,127
Loan from related party (Note 21 (b))	1,581,294	1,599,044
Less cash on hand and at banks (Note 19)	(24,905)	(67,522)
Net debt	12,600,509	12,888,649
Equity	14,743,859	8,709,278
Total Capital (Total equity plus net debt)	27,344,368	21,597,927
Gearing ratio % (Net Debt / Total Capital X 100)	46%	60%
Debt to equity ratio % (Net Debt / Total Equity X 100)	85%	148%

NOTE 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Estimations and assumptions

Key assumptions concerning the future and other key sources of estimation uncertain at balance date, that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below:

i) Impairment of non-financial assets

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. For the year ended 31 December 2018, no allowance for impairment has been recorded as the directors and management believe that no indicators for impairment exist as at balance date.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimations and assumptions (Cont'd)

ii) Revaluation of land and fair value of investment property

The company carries its investment property at fair value, with changes in fair value being recognised in statement of profit or loss. In addition, it measures land at revalued amounts with changes in value being recognised in Other Comprehensive Income. The company engaged an independent valuation specialist to assess fair value for investment property and land in November 2018. Investment properties and land were valued using the Cost Approach.

iii) Impairment of accounts receivables

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. Refer note 3(e)(vi).

iv) Depreciation of property, plant and equipment

In relation to acquired property, plant and equipment, the directors' and the management apply judgment to determine the depreciation based on the expected useful lives of the respective assets.

Where estimated useful lives or recoverable values have diminished due to technological change or market conditions, depreciation is accelerated. The directors' and management's assessment of useful lives or recoverable amount involves making a judgment at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

The directors and the management reasonably believe that the estimates of useful lives of property, plant and equipment are reasonable as at balance date.

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Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 6. SEGMENT INFORMATION

The Company's major business segments are wholesaling packaging materials, trading non-alcoholic beverages and operating the Kila Eco Adventure Park. While the business segments are distinct, the business is not organised or managed separately according to the nature of the products and services provided.

The following presents revenue and profit information for each business segment.

	2018 ($)	2017 ($)
Packaging	3,744,385	3,973,373
Water	8,348,951	7,421,930
Kila World	99,675	120,062
Other sales	6,817	13,494
Total operating revenue	12,199,828	11,528,859
Results		
Segment Results		
Packaging	655,640	848,360
Water	2,284,527	3,006,288
Kila World	21,613	(3,789)
Other sales	-	(10,249)
Income - exchange gain - realised	26,735	583
Expenses - others	(2,282,845)	(2,913,510)
Profit from operating activities	705,670	927,683
Finance costs	(455,264)	(99,992)
Profit from operations	250,406	827,691
Change in fair value of investment property	6,530,000	-
	6,780,406	827,691
Income tax expense	(689,741)	(92,354)
Net profit after tax	6,090,665	735,337

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 6. SEGMENT INFORMATION (CONTINUED)

Segment Assets and Liabilities

Segment assets and liabilities cannot be reasonably allocated between operating segments. Accordingly, this information has not been provided under segment information.

Additional Information

Similarly, depreciation and other non-cash items cannot be reasonably allocated between the operating segments. Accordingly, this information has not been provided under segment information.

NOTE 7. REVENUES AND EXPENSES

Other revenue, other operating expenses and finance costs include the following for the year ended 31 December:

7.1 OTHER REVENUE

	2018 ($)	2017 ($)
Exchange gain – realised	26,735	583
Gain on disposal of plant and equipment	10,208	16,514
Miscellaneous income	136,531	172,873
Write back of allowance for impairment loss	31,259	-
	204,733	189,970

7.2 INCLUDED IN OTHER OPERATING EXPENSES ARE:

Auditor's remuneration for:		
- audit services – current year	16,500	15,000
- audit services – prior years	5,000	1,200
- other services	4,490	2,770
Accounting Fees - other services	19,170	-
Consultancy fees	35,297	50,619
Directors' fees	10,000	10,000
Electricity	336,899	184,883
Equipment / vehicle hire	423,425	492,081
Inventory obsolescence	13,900	18,784
Laboratory expenses	60,361	35,785
Licences	8,496	13,257
Listing expenses	9,445	6,855
Motor vehicle expenses	318,451	330,319
Operating lease rentals	95,231	243,544
Repairs and maintenance	120,527	109,362
Subscriptions	6,191	10,225
Other operating expenses	1,199,959	924,119
	2,683,342	2,448,803

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 7. REVENUES AND EXPENSES (CONTINUED)

7.3 EMPLOYEE BENEFITS EXPENSE

	2018 ($)	2017 ($)
Wages and salaries	2,262,829	2,090,674
Employee entitlements	160,167	228,409
Contribution to superannuation funds	273,924	204,375
FNU levy and staff training	29,165	35,214
Staff allowances and other benefits	4,272	163,700
	2,730,357	2,722,372

7.4 FINANCE COSTS

Interest charges	455,264	99,992

NOTE 8. INCOME TAX

(a) INCOME TAX EXPENSE

The prima facie tax payable on profit is reconciled to the income tax expense as follows:

	2018 ($)	2017 ($)
Profit before income tax	6,780,406	827,691
Prima facie tax thereon at 10%	678,041	82,769
Tax effect of permanent differences:		
Non-deductible expenses	17,900	15,318
Income tax deductions and concessions	-	(5,292)
Over under provision for income tax expense in prior year	(6,200)	(441)
Income tax expense attributable to profit	689,741	92,354
Income tax expense comprises movements in:		
Current tax liabilities	45,462	113,551
Deferred tax assets	24,509	(5,349)
Deferred tax liabilities	619,770	(15,848)
	689,741	92,354

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 8. INCOME TAX (CONTINUED)

(b) CURRENT TAX LIABILITY / (ADVANCE TAX)

	2018 ($)	2017 ($)
Balance at the beginning of the year	27,402	50,533
Tax liability for the current year	51,663	114,172
Payments made during the year	(109,210)	(136,682)
Contractors provisional tax	(4,291)	-
Over provision of income tax in prior year	(6,200)	(621)
Balance at the end of the year	(40,636)	27,402

(c) DEFERRED TAX ASSETS

Deferred tax assets comprise the estimated future benefit at future income tax rate of 10% of the following items:

Allowance for impairment loss on trade receivables	45,413	21,040
Allowance for stock obsolescence	9,986	8,947
Provision for employee entitlements	17,360	18,321
Unrealised exchange loss	552	494
	73,311	48,802

(d) DEFERRED TAX LIABILITIES

Deferred tax liabilities comprise the estimated expense at future income tax rate and capital gains tax rate of 10% of the following items:

Difference in cost base of property, plant and equipment investment properties and intangible assets for accounting and income tax purposes	865,240	173,349
	865,240	173,349

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 9. EARNINGS PER SHARE

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

	2018 ($)	2017 ($)
Net profit after tax	6,090,665	735,337
Weighted average number of ordinary shares outstanding	6,600,000	6,600,000
Basic earnings per share	0.92	0.11

NOTE 10. DIVIDENDS PAID OR DECLARED

Details of the dividends paid or declared are:

Year	Cents per share	Date declared	2018 ($)	2017 ($)
2018 Interim	2 cents	22-Nov-18	132,000	
2017 Final	2 cents	17-May-18	132,000	
2017 Interim	2 cents	21-Nov-17		132,000
2016 Final	2 cents	13-Jun-17		132,000
			264,000	264,000

NOTE 11. TRADE AND OTHER RECEIVABLES

	2018 ($)	2017 ($)
Trade receivables	3,051,481	3,026,872
Less : Allowance for impairment loss	(454,125)	(210,404)
	2,597,356	2,816,468
Deposits	47,987	48,521
Other receivables and prepayments	281,423	1,034,880
Total current trade and other receivables	2,926,766	3,899,869

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 11. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade and other receivables are non-interest bearing and are generally 30 - 90 day terms. As at 31 December 2018, trade receivables at nominal value of $454,125 (2017: $210,404) were impaired and provided for.

(b) Trade receivables includes overdue amounts owing by two overseas based debtors totalling around $686,000 (2017:$700,000). Management is confident of full recovery from these debtors, however, as a prudent measure, the company has provided an allowance for impairment loss of $276,000 (2017:$100,000) for these two debtors.

(c) Movement in the allowance for impairment loss:

	2018 ($)	2017 ($)
As at 1 January	210,404	71,288
Adjustment on application of IFRS 9	98,980	-
Additional allowance	176,000	139,729
Written off during the year/ Reversal	(31,259)	(613)
As at 31 December	454,125	210,404

(d) At 31 December, the ageing analysis of trade receivables is as follows:

		Past due but not impaired			
Year	Total ($)	< 30 days ($)	30 - 60 days ($)	60 - 90 days ($)	90+ days ($)
2018	2,597,356	993,889	617,272	117,632	868,563
2017	2,816,468	1,006,778	880,254	327,575	601,861

NOTE 12. INVENTORIES

	2018 ($)	2017 ($)
Finished goods	1,330,705	1,266,839
Raw Materials	676,937	646,606
Less: Allowance for inventory obsolescence	(99,856)	(89,465)
	1,907,786	1,823,980
Goods in transit	434,190	202,518
Total inventories at the lower of the cost and net realisable value	2,341,976	2,026,498

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings ($)	Plant & Equipment ($)	Motor Vehicles ($)	Office Equipment, Furniture & Fittings ($)	Water Coolers & Bottles ($)	Kila World ($)	Work in Progress ($)	Total ($)
Gross carrying amount								
Balance at 1 January 2017	2,839,154	2,392,925	536,572	520,827	1,117,842	389,274	4,922,561	12,719,155
Additions		2,659,605	533,973	106,369	-	696	3,266,801	6,567,444
Transfer in / (out)	8,148,712	-	-	-	-	-	(8,148,712)	-
Disposals			(35,000)		-			(35,000)
Balance at 31 December 2017	10,987,866	5,052,530	1,035,545	627,196	1,117,842	389,970	40,650	19,251,599
Additions	100,673	318,621	263,693	60,041	292,822	10,708	182,616	1,229,174
Disposals		(26,567)	(76,055)					(102,622)
Transfer in / (out)	168,685					9,325	(178,010)	-
Revaluation gain	330,000	-	-	-	-	-	-	330,000
Balance at 31 December 2018	11,587,224	5,344,584	1,223,183	687,237	1,410,664	410,003	45,256	20,708,151
Accumulated depreciation & amortisation								
Balance at 1 January 2017	19,723	1,431,864	354,085	419,796	865,499	159,194	-	3,250,161
Depreciation expense	93,486	314,797	104,442	57,590	82,688	36,597		689,600
Disposals	-	-	(35,000)	-	-	-	-	(35,000)
Balance at 31 December 2017	113,209	1,746,661	423,527	477,386	948,187	195,791	-	3,904,761
Depreciation expense	227,643	430,218	160,741	52,534	99,768	33,251		1,004,155
Disposals		(9,004)	(13,690)					(22,694)
Balance at 31 December 2018	340,852	2,167,875	570,578	529,920	1,047,955	229,042	-	4,886,222
Net book value								
As at 31 December 2017	10,874,657	3,305,869	612,018	149,810	169,655	194,179	40,650	15,346,838
As at 31 December 2018	11,246,372	3,176,709	652,605	157,317	362,709	180,961	45,256	15,821,929

In November 2018, the land was revalued by the directors based on independent valuations by registered valuer, Rolle Associates. The valuation methodology adopted by the valuers was Cost Approach. The excess market value over book value of $297,000 (revaluation surplus of $330,000, net of deferred capital gains tax of $33,000) was recorded in the financial statements as at 31 December 2018. Based on independent valuation in November 2018, the carrying value of land was reviewed by the directors at balance date and was assessed to be fair.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 14. INVESTMENT PROPERTIES

	2018 ($)	2017 ($)
At 1 January	2,070,000	2,070,000
Addition	-	-
Revaluation - Change in fair value of investment property	6,530,000	-
At 31 December	8,600,000	2,070,000

In November 2018, the investment property was recorded at fair value by the directors based on independent valuations by registered valuer, Rolle Associates. The fair value assessment methodology adopted by the valuers was Cost Approach. The excess market value over book value of $6,530,000 was recorded in the financial statements as at 31 December 2018. Based on independent valuation in November 2018 by registered valuer, the carrying value of property was reviewed by the directors at balance date and was assessed to be fair.

NOTE 15. INTANGIBLE ASSETS

	2018 ($)	2017 ($)
Software		
At 1 January	119,149	119,149
Additions	-	-
Accumulated amortisation	(116,604)	(112,506)
At 31 December	2,545	6,643
Trade mark		
At 1 January	65,020	65,033
Addition/ Adjustment	10,316	(13)
At 31 December	75,336	65,020
Net written down value	77,881	71,663

NOTE 16. TRADE AND OTHER PAYABLES

	2018 ($)	2017 ($)
Trade payables (a)	639,164	739,181
Refundable Deposits (b)	486,924	521,515
Other accruals and payables	373,207	221,085
	1,499,295	1,481,781

Terms and conditions of the above financial liabilities:

(a) Trade payables are non-interest bearing and are normally settled on 30 to 60-day terms.

(b) Refundable deposits are received from customers for renting water coolers. A lifetime usage fee is charged for assets rented. 50% of this fee is recorded as income on receipt.

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Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 17. INTEREST BEARING BORROWINGS

	2018 ($)	2017 ($)
Current		
Bank overdraft (i)	1,207,830	1,385,917
Term loan (ii)	882,713	1,219,300
Finance lease liability (iii)	58,841	20,080
Total current borrowings	2,149,384	2,625,297
Non-Current		
Term loan (ii)	8,691,747	8,652,631
Finance lease liability (iii)	202,989	79,199
Total non-current secured borrowings	8,894,736	8,731,830
Total interest bearing borrowings	11,044,120	11,357,127

i) *Bank overdraft*

Bank overdraft facility with Bank of the South Pacific (BSP) bears interest at the rate of 4% per annum. The overdraft facility is limited to $1,300,000.

ii) *Term loan*

Term loans with BSP bears interest at a rate of 4% and 5% per annum and are repayable by monthly installments of $61,512 (inclusive of interest) and $44,000 (inclusive of interest), respectively.

iii) *Finance lease liability*

Finance lease is subject to interest at a rate of 5% per annum and repayable by monthly installments of $5,883 (inclusive of interest).

BSP borrowings facilities are secured by:

- First registered fixed and floating charge over the Company's assets stamped to $11,850,000;
- First registered mortgage over properties comprised in Certificate of Title Number 42974; and
- Master lease agreement over motor vehicle.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 17. INTEREST BEARING BORROWINGS (CONTINUED)

Reconciliation of movement of liabilities to cashflows from financing activities

	Borrowings ($)	Lease Liabilities ($)	Total ($)
Balance as at 1 January 2018	9,871,931	99,279	9,971,210
Changes from financing cash flows			
Repayment of borrowings	(1,235,471)	-	(1,235,471)
Proceeds from borrowings	938,000	-	938,000
Payment of lease liabilities		(41,449)	(41,449)
Proceeds from lease liabilities		204,000	204,000
Total changes from financing cash flows	9,574,460	261,830	9,836,290
Other changes – Liability related			
Interest expense	411,894	9,977	421,871
Interest paid	(411,894)	(9,977)	(421,871)
Total liability related other changes	-	-	-
Balance at 31 December 2018	9,574,460	261,830	9,836,290

NOTE 18. EMPLOYEE ENTITLEMENTS

	2018 ($)	2017 ($)
At 1 January	183,211	287,624
Net movement	(9,615)	(104,413)
At 31 December	173,596	183,211

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 19. CASH AND CASH EQUIVALENTS

a) *Cash and cash equivalents consist of cash on hand and balance with banks net off bank overdrafts. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:*

	2018 ($)	2017 ($)
Cash on hand and at banks	24,905	67,522
Bank overdraft (Note 17)	(1,207,830)	(1,385,917)
Total cash and cash equivalents	(1,182,925)	(1,318,395)

b) *Non-Cash Financing Activities*

Acquisition of motor vehicles

During the year, the company acquired motor vehicles amounting to $187,156 (2017: $100,000) under finance lease. This transaction is not reflected in the statement of cash flows.

NOTE 20. SHARE CAPITAL

a) *Issued and Paid up Capital*

	2018 ($)	2017 ($)
Issued and Paid up Capital		
6,600,000 ordinary shares	3,100,000	3,100,000

b) *Asset Revaluation Reserve*

Balance at 1 January	704,383	704,383
Revaluation surplus on land, net of deferred capital gains tax	297,000	-
Balance at end of the year	1,001,383	704,383

Asset revaluation reserve relates to revaluation of land.

Notes to the Financial Statements (continued)

For the year ended 31st December 2018

NOTE 21. RELATED PARTY DISCLOSURES

a) Directors

The names of persons who were directors of Pleass Global Limited at any time during the financial year are Warwick Pleass, Catherine Pleass, Ashnil Prasad, Bruce Sutton, Fomiza Feroza Bano and Latileta Qoro.

b) Non-current liabilities

	2018 ($)	2017 ($)
Payable to director / shareholder	1,581,294	1,599,044

Advance from shareholder is unsecured and interest free for the year.

c) Compensation of 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 year, Managing Director, Human Resource Manager, Marketing Director and General Manager were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the company. The remuneration of the key management personnel during the year was as follows:

Short term employee benefits	441,140	427,278

NOTE 22. CONTINGENT LIABILITIES

	2018 ($)	2017 ($)
Bank guarantee and bonds	53,422	63,196
Expenditure Commitments		
Capital commitments	-	-
Operating lease commitment		
Future operating lease rentals not provided for in the financial statements and payable:		
Within one year	103,560	119,520

NOTE 23. EVENTS SUBSEQUENT TO BALANCE DATE

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

NOTE 24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 28 March 2019.

South Pacific Stock Exchange Disclosure Requirements

For the year ended 31st December 2018

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in the financial statements).

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

Warwick Pleass	(Direct interest 53.16%) - 3,508,472 shares
Catherine Pleass	(Indirect interest: Warwick Pleass) -3,508,472 shares in Pleass Global Limited
Ashnil Prasad	(Indirect interest: Fiji National Provident Fund) - 1,350,000
Bruce Sutton	Nil
Latileta Qoro	Nil
Fomiza Feroza Bano	(Direct interest 0.15%) - 10,000 shares

(b) Distribution of Share Holding

Holding	No. of holders	% Holding
Less than 500 shares	17	0.1%
501 to 5,000 shares	39	1.3%
5,001 to 10,000 shares	12	1.5%
10,001 to 20,000 shares	5	1.2%
20,001 to 30,000 shares	1	0.4%
30,001 to 40,000 shares	-	0.0%
40,001 to 50,000 shares	1	0.7%
50,001 to 100,000 shares	2	1.7%
100,001 to 1,000,000 shares	3	19.5%
Over 1,000,000 shares	2	73.6%
Total	**82**	**100%**

(c) Share Registry

Central Share Registry Pte Limited, Shop 1 & 11, Sabrina Building, Victoria Parade, Suva.

South Pacific Stock Exchange Disclosure Requirements

For the year ended 31st December 2018

(d) Top 20 Shareholders

	No. of Shares	% Holding
1. Warwick Pleass	3,508,472	53.16%
2. Fiji National Provident Fund	1,350,000	20.45%
3. Ryan Trustee PTE Limited	600,000	9.09%
4. FHL Trustees Limited ATF Fijian Holdings Unit Trust	455,430	6.90%
5. Kinetic Growth Fund Limited	229,000	3.47%
6. FijiCare Insurance Limited	60,000	0.91%
7. Coledale Limited	53,181	0.81%
8. Aequi-Libria Associates Insurance Broker Ltd	49,073	0.74%
9. J Santa Ram (Stores) Limited	25,033	0.38%
10. Graham Eden	20,000	0.30%
11. Camira Holdings Limited	18,783	0.28%
12. Frazine Dutta	15,000	0.23%
13. Drola Vanuakula Investment Ltd	13,265	0.20%
14. Jitendra Thakorlal Narsey	12,000	0.18%
15. Manish Kumar & Arti Patel	10,000	0.15%
16. Rahat A Asgar	10,000	0.15%
17. Fomiza Feroza Bano	10,000	0.15%
18. N S Niranjans Holdings Ltd	10,000	0.15%
19. Lalit Sudha Pala	9,808	0.15%
20. Timothy Lukies	9,007	0.14%
Total	**6,468,052**	**98.00%**

(e) Five year financial history

	2018 ($)	2017 ($)	2016 ($)	2015 ($)	2014 ($)
Net profit	6,090,665	735,337	942,108	826,388	688,459
Assets	29,907,404	23,531,192	17,743,329	14,206,688	9,328,066
Liabilities	15,163,545	14,821,914	9,505,388	8,448,161	4,116,885
Equity	14,743,859	8,709,278	8,237,941	5,758,527	5,211,181

Dividend per share	$0.04	Highest market price per share	$2.45
Earning per share	$0.92	Lowest market price per share	$1.90
Net tangible asset per share	$2.22	Market price per share at end of financial period	$2.45

(f) Board meeting attendance - section 6.31 (vi)

Directors	Entitled Meetings	Meetings attended
Warwick Glenn Pleass	4	4
Catherine Pleass	4	4
Bruce Sutton	4	4
Fomiza Bano	4	4
Ashnil Prasad	4	1
Latileta Qoro	4	4

Corporate Directory

Registered Office
Pleass Drive, Namosi Road, Namosi Fiji.
Tel: +679 330 8803 • Fax: +679 330 8804 • www.pleass.com
Email: executiveoffice@pleass.com

Board of Directors
Warwick Pleass • Catherine Pleass • Latileta Qoro •
Bruce Sutton • Fomiza Feroza Bano • Ashnil Prasad

Company Secretary
Cate Pleass

Securities Exchange
South Pacific Stock Exchange
Shop 1 & 11, Sabrina Building, Victoria Parade, Suva.
Tel: +679 330 4130 • Fax: +679 330 4145

Share Registry
Central Share Registry Pte Limited
Shop 1 & 11, Sabrina Building, Victoria Parade, Suva.
Tel: +679 330 4130 • Fax: +679 330 4145 • www.csr.com.fj • registry@csr.com.fj

Auditors
BDO Chartered Accountants
Level 10, FNPF Place, 343 Victoria Parade, GPO Box 855, Suva, Fiji.
Tel: +679 331 4300 • Fax: +679 330 1841

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SCHOLARSHIPS 2019

AquaSafe® and Pleass Global Limited delivered scholarships to four students today for the 2019 Academic Year. These students all hail from our neighbouring community and have produced standards of results to entitle them to scholarship support.

Congratulations goes to the students and their proud parents.

Ro Siteri Batilekaleka, Vilisite Saula,
Mereani Seniveva and Adi Kelera Naisilisili

Presenting the awards is AquaSafe Managing Director, Warwick Pleass


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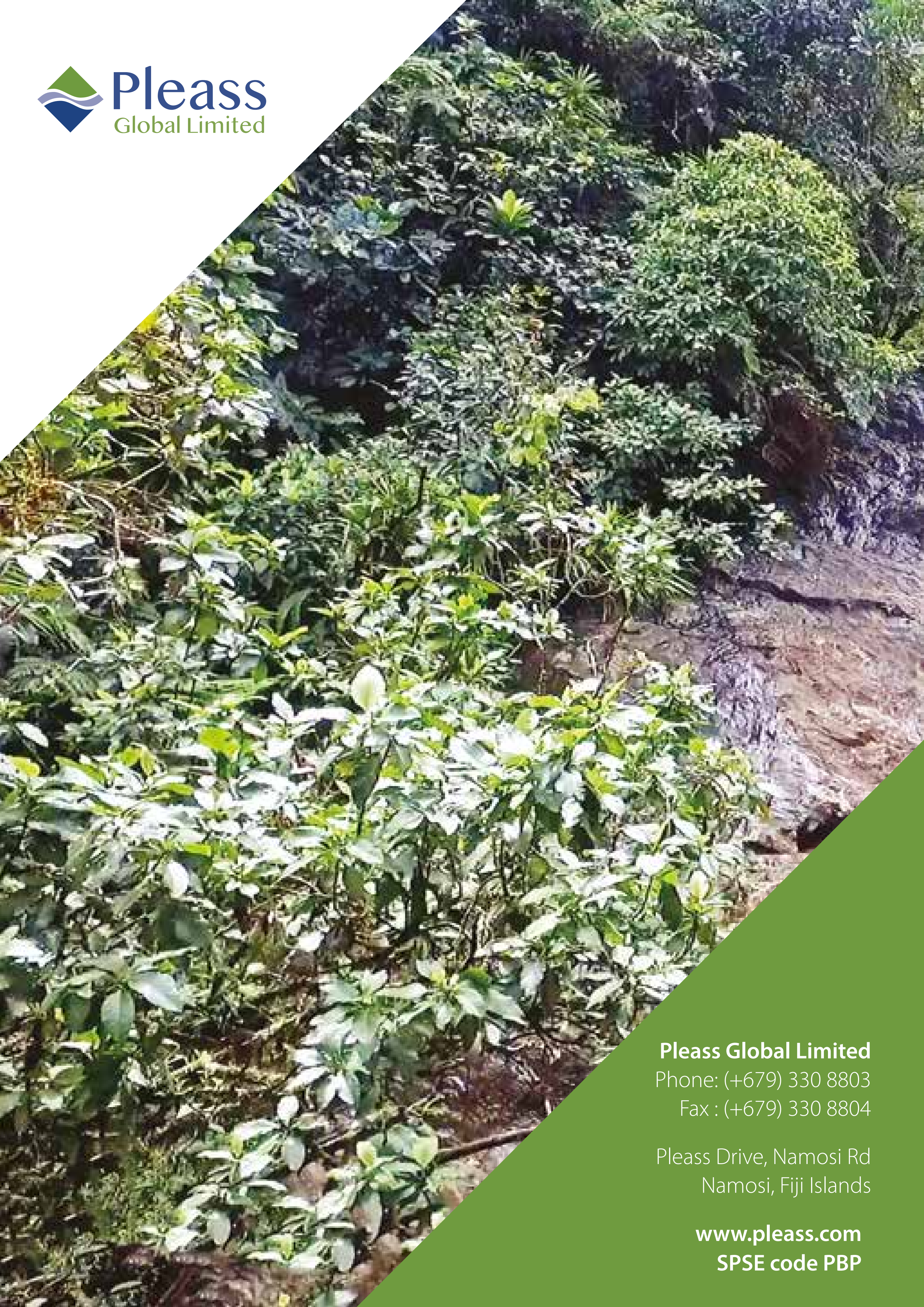

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