Pleass Global Limited

Beverages ◆ Packaging ◆ Tourism ◆ Horticulture

24 March 2020

MARKET ANNOUNCEMENT

Subject: Release of 2019 Audited Financial Statements

Pleass Global Limited (PBP) hereby releases its audited financial statements for the year ended 31 December 2019.

In 2019 revenue was $13,743,053 or 13% higher than the previous year.

Profit from operations was $765,952 in 2019. This is an increase of 206% compared to 2018.

Net profit for the year was $673,259. This is below the 2018 profit because 2018 included $6,530,000 ($5,877,000 net of taxes) fair value gain from investment property.

Net profit from trading (excluding the fair value gain from investment property net of taxes of 2018) has increased by 215% compared to 2018.

The company's Statement of Financial Position shows a stronger position of $15.36 million net assets compared to $14.74 million in last year. This is a 4% growth of our net assets. The total net assets per share in 2019 was $2.30 compared to $2.23 compared to 2018. Gearing ratio of the company has also improved to 42% in 2019 from 46% in 2018. Market share price of the company has increased by 6% compared to 2018, which was $2.60 at the end of the year.

Managing Director Warwick Pleass said "the board and management team are proud of the 2019 result given the challenging local economic conditions. We are very pleased to report growth in exports by 202%".

"We were very excited for the future of the business for 2020 but of course we now do not know where the current COVID-19 economic turmoil will lead us. I can advise our customers that;

- Our team has taken all the necessary steps to protect our shareholders' investments and they should remain confident in the company.
- We have plans in place to allow us to continue bottling Fiji's favorite waters with separate self-isolated production staff in the rainforests of Namosi, but we rely on the authorities to facilitate safe deliveries of our water to the wharfs and outlets. And we assure all that we have put in place rigorous protocols to keep the supply chain people and products safe all along the supply chain."

End of announcement.

Warwick Pleass
Managing Director

Catherine Pleass
Company Secretary

T: (+679) 330 8803 F: (+679) 330 8804 M: (+679) 999 0883 W: www.pleass.com E: cate@pleass.com

P: P. O. Box 502, Pacific Harbour, Fiji D: Pleass Drive, Namosi Rd, Namosi Fiji

PLEASS GLOBAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

PLEASS GLOBAL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS **PAGE NO.**

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 2019, 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

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:

		2019	2018
Profit from operations	$	765,952	250,406
Change in fair value of investment property		-	6,530,000
Profit before income tax		765,952	6,780,406
Income tax expense		(92,693)	(689,741)
Profit for the year	$	673,259	6,090,665

Dividends

The dividends declared and paid during the year were $264,841 (2018: $264,000). Details of the dividends declared and paid are as follows:

Year	Cents per Share	Date Declared	2019 ($)	2018 ($)
2019 Interim	2 cents	12-Nov-19	132,841	-
2018 Final	2 cents	30-May-19	132,000	-
2018 Interim	2 cents	22-Nov-18	-	132,000
2017 Final	2 cents	17-May-18	-	132,000
			264,841	264,000

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 have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the 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.

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 19th day of March 2020.

....
Director

....
Director

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 2019:

   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 2019 and of the performance and cash flows of the company for the year ended 31 December 2019; and

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

b) The directors have received an 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 19th day of March 2020.

....
Director Director

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF PLEASS GLOBAL LIMITED

As auditor for Pleass Global Limited for the financial year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Pleass Global Limited during the financial year.

PricewaterhouseCoopers
Chartered Accountants

PricewaterhouseCoopers

by

Grant Burns
Partner

23 March 2020

Independent Auditor's Report

To the Shareholders of Pleass Global Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Pleass Global Limited (the Company), which comprise the statement of financial position as at 31 December 2019, 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 2019, and of it's financial performance and it's cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

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

Independence

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

Key Audit Matters

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

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

Key audit matter	How our audit assessed the matter
Valuation of Trade Receivables As outlined in Notes 4(b) and 11, there were trade receivables as at 31 December 2019 more than 90 days past due. The expectations around collection of the Company's trade receivables and the determination of the allowance for impairment for expected credit losses of these receivables requires judgement. For the majority of it's receivables the Company applies a simplified model collectively to determine the amount of it's collective provision which applies weighted average loss rates to ageing bands of the receivables to determine an impairment allowance. Certain receivables are not included within the collective assessment as they are long overdue or are considered problematic and these receivables are subject to individual assessment to determine their level of impairment allowance required. Both the collective assessment expected credit loss model and the individual assessment of credit losses which together determine the accounts receivable impairment allowance are key audit matters due to the judgments involved.	Our audit procedures for the assessment of the impairment allowance, amongst other things, included the following: • Understood the Company's processes for trade receivable collection and impairment loss provisioning. • Read the methodology developed by management to assess the collective expected credit losses and obtained the financial model which calculated the weighted average loss rates for each ageing class of receivables. • Ensured the model was developed to calculate the expected credit losses in a manner consistent with the requirements of IFRS 9 Financial Instruments. • Inquired of management their views of the current and future conditions that may impact expected customer receipts and ensured they had been factored into the model. Considered these factors to ensure they were consistent with available economic data and not inconsistent with our understanding. • Agreed the model inputs to underlying records of the Company for a sample of inputs and tested on a sample basis the accuracy of the ageing classes of receivables. • Tested the mathematical accuracy of the model by reperforming calculations. • Inquired of management of any disputes with customers or collection concerns that might require further consideration beyond the collective provisioning.

Key audit matter	How our audit assessed the matter
Valuation of Trade Receivables (Cont'd)	• For those receivables subject to individual assessment of impairment allowances required by management, looked at management's information used to assess the impairment allowance required including subsequent settlements and correspondence and using judgement considered the reasonability of management's assessments. • Agreed the collectively and individually assessed impairment allowances to the general ledger.

Other Information

Directors and management are responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 31 December 2019 (but does not include the financial statements and our auditor's report thereon).

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, except that not all other information was available to us at the date of our signing.

Responsibilities of Directors and Management for the Financial Statements

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

In preparing the financial statements, the directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors and management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the ISAs, 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 the directors and management.

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

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

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

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

We also provide directors and management with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

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

Restriction on Use

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Grant Burns
Partner

23 March 2020
Suva, Fiji

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 $	2018 $
Operating revenue	6	13,743,053	12,199,828
Cost of sales		(5,462,363)	(5,201,216)
Gross profit		8,280,690	6,998,612
Other revenue	7.1	156,573	204,733
Operating Results		**8,437,263**	**7,203,345**
Impairment allowance on trade receivables		-	(176,000)
Employee benefits expense	7.3	(2,964,795)	(2,730,357)
Other operating expenses	7.2	(3,193,946)	(2,583,065)
Earnings before Interest, Tax and Depreciation Allowances (EBITDA)		**2,278,522**	**1,713,923**
Depreciation and amortisation expense			
-Property, plant and equipment and Intangible Assets	13,15	(968,339)	(1,008,253)
-Right-of-use assets	16	(14,769)	-
Profit from operating activities		**1,295,414**	**705,670**
Finance costs	7.4	(529,462)	(455,264)
Profit from operations		**765,952**	**250,406**
Change in fair value of investment property	14	-	6,530,000
Profit before income tax		**765,952**	**6,780,406**
Income tax expense	8(a)	(92,693)	(689,741)
Net profit for the year		**673,259**	**6,090,665**
Other comprehensive income			
Items that will not be reclassified to profit or loss;			
- Revaluation surplus on land, net of deferred capital gains tax	13	-	297,000
Other comprehensive income for the year, net of tax		-	297,000
Total comprehensive income for the year, net of tax		**673,259**	**6,387,665**
Earnings per share			
Basic/Diluted earnings per share	9	0.10	0.92

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

PLEASS GLOBAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 $	2018 $
Current Assets			
Cash on hand and at banks	20	299,030	24,905
Trade and other receivables	11	2,500,291	2,926,766
Inventories	12	2,549,849	2,341,976
Current tax asset	8(b)	-	40,636
Total current assets		5,349,170	5,334,283
Non-Current Assets			
Intangible assets	15	84,150	77,881
Property, plant and equipment	13	15,458,180	15,821,929
Investment property	14	8,600,000	8,600,000
Right-of-use assets	16	91,570	-
Total non-current assets		24,233,900	24,499,810
TOTAL ASSETS		29,583,070	29,834,093
Current Liabilities			
Borrowings	18	1,934,910	2,149,384
Employee entitlements	19	178,961	173,596
Current tax liabilities	8(b)	12,101	-
Trade and other payables	17	1,823,262	1,499,295
Total current liabilities		3,949,234	3,822,275
Non-Current Liabilities			
Borrowings	18	8,051,730	8,894,736
Deferred tax	8(c)	828,597	791,929
Loan from related party	22(b)	1,392,516	1,581,294
Total non-current liabilities		10,272,843	11,267,959
TOTAL LIABILITIES		14,222,077	15,090,234
NET ASSETS		**15,360,993**	**14,743,859**
SHAREHOLDERS' EQUITY			
Share capital	21(a)	3,308,716	3,100,000
Asset revaluation reserve	21(b)	1,001,383	1,001,383
Retained earnings		11,050,894	10,642,476
TOTAL SHAREHOLDERS' EQUITY		**15,360,993**	**14,743,859**

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

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

....

Director Director

	Notes	Share Capital ($)	Asset Revaluation Reserve ($)	Retained Earnings ($)	Total ($)
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	21(b)	-	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**
Total Comprehensive Income for the year					
Profit for the year		-	-	673,259	673,259
Total Comprehensive Income for the year		**-**	**-**	**673,259**	**673,259**
Transactions with Owners of the Company					
Distributions to Owners of the Company					
Additional shares issued	21	208,716	-	-	208,716
Dividends declared and / or paid	10	-		(264,841)	(264,841)
Total Transactions with Owners of the Company		208,716	-	(264,841)	(56,125)
Balance as at 31 December 2019		**3,308,716**	**1,001,383**	**11,050,894**	**15,360,993**

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

	Notes	Inflows/ (Outflows) 2019 $	Inflows/ (Outflows) 2018 $
Cash flows from operating activities			
Receipts from customers		14,299,731	12,986,232
Payments to suppliers and employees		(11,475,579)	(10,667,048)
Interest paid		(524,393)	(455,264)
Income taxes paid	8(b)	(3,288)	(113,501)
Net cash provided by operating activities		2,296,471	1,750,419
Cash flows from Investing activities			
Payments for property, plant and equipment		(629,624)	(1,042,018)
Payments for intangible assets		-	(10,316)
Proceeds from the disposal of property, plant and equipment		16,000	90,136
Net cash used in investing activities		(613,624)	(962,198)
Cash flows from Financing activities			
Repayment of advances from related party		(188,778)	(120,000)
Repayment of term loan, net	18	(834,211)	(297,471)
Repayment of lease liabilities	18	(130,761)	(41,449)
Dividends paid		(56,125)	(193,831)
Net cash used in financing activities		(1,209,875)	(652,751)
Net increase in cash and cash equivalents		472,972	135,470
Cash and cash equivalents at beginning of the year		(1,182,925)	(1,318,395)
Cash and cash equivalents at the end of the year	20	(709,953)	(1,182,925)

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

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.

NOTE 2. BASIS OF PREPARATION

a) Basis of Preparation

The financial statements of Pleass Global Limited have been prepared in accordance with historical cost accounting except for investment property and land that have 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.

NOTE 2. BASIS OF PREPARATION (CONT'D)

d) Changes in Accounting Policies

Except for the changes referred to below in relation to the adoption of IFRS 16, the company has consistently applied the accounting policies to all periods presented in these financial statements.

Several other amendments and the interpretations of accounting standards apply for the first time in 2019, but do not have an impact on the financial statements of the company. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

New Standards Adopted by the Entity

I. IFRS 16 – Leases

IFRS 16 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*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The implementation of IFRS 16 Leases has required the company to change its accounting policy as set out below with effect from 1 January 2019.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the company is the lessor.

Operating leases

The company adopted IFRS 16 using the modified retrospective approach (alternative 2) method of adoption, with the date of initial application of 1 January 2019. The company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 January 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

Upon adoption of IFRS 16, the company applied a single recognition and measurement approach for all operating leases for which it is the lessee, except for short-term leases and leases of low-value assets. The company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective (alternative 2) method of adoption, the company applied IFRS 16 at the date of initial application, based on the remaining lease payments discounted using the incremental borrowing rate as of the date of initial application. The weighted average incremental borrowing rate applied to lease liabilities as at 1 January 2019 and subsequently during 2019 was 5.5%

From 1 January 2019, all leases are now accounted for in accordance with the policy set out in Note 3(j). The company has elected to apply the new rules retrospectively with the cumulative effect of initially applying the standard recognised as at 1 January 2019. Comparatives for the year ended 31 December 2018 have not been restated.

The additional lease liability recognised as at 1 January 2019 was Nil as set out below and a similar amount was recognized for right-of-use assets. Retained earnings at 1 January 2019 did not require adjustment.

NOTE 2. BASIS OF PREPARATION (CONT'D)

d) Changes in Accounting Policies (Cont'd)

New Standards Adopted by the Entity – IFRS 16 – Leases (Cont'd)

I. IFRS 16 – Leases (Cont'd)

Operating leases (Cont'd)

Assets leased under finance leases are included within property, plant and equipment.

In applying IFRS 16 for the first time, the company has used the following practical expedients permitted by the standard:

- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short term leases;
- excluding initial direct costs for the measurement of right of use assets as at 1 January 2019; and
- single discount rate is applied to a portfolio of leases with reasonably similar characteristics.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application.

Reconciliation for the differences between operating lease commitments disclosed as at 31 December 2018 and operating lease liabilities recognised at date of initial application at 1 January 2019 is as follows:

Operating lease commitments disclosed as at 31 December 2018 (Note 16)	103,560
Less short-term lease obligations	(103,560)
Operating lease liabilities recognized as at 1 January 2019	Nil

As at 31 December 2019:

- 'Right-of-use assets' were recognised and presented within non-current assets
- 'Lease liabilities' were recognised and presented within Borrowings (Note 18)

At 1 January 2019 the company only had remaining short term lease obligations. During the year the company entered into a new lease agreement.

New standards issued but not yet effective for the financial year beginning 1 January 2019 and not early adopted

There are no new standards that have been released and not yet adopted that are expected to have a significant financial impact on the company.

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 equating to rates as follows:

Building	2% - 12%
Plant and equipment	6.66% - 24 %
Motor vehicles	18%
Office equipment, furniture and fittings	7% - 24%
Water coolers and Bottles	10% - 33.33%
Kila World equipment	6.67% - 24%

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.

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 other comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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 the impairment value is identified.

e) Financial instruments

i) Classification

The company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through profit or loss or through OCI), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial instruments and the contractual terms of the cash flows.

The company's financial assets measured at amortised cost consist of cash and cash equivalents and trade and other receivables.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Financial instruments (Cont'd)

ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the company has also transferred substantially all risks and rewards of ownership.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:
- 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.

Financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by any impairment losses. Interest income, gains/(losses) arising from derecognition, foreign exchange gains/(losses) and impairment losses are recognised in profit or loss.

The company recognizes a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

iii) Impairment of Financial Assets

The company recognises loss allowances for expected credit losses (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.

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.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Financial instruments (Cont'd)

iii) Impairment of Financial Assets (Cont'd)

Measurement of ECLs

The company assesses on a forward looking basis the expected ECLs allocated with its financial assets measured at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer note 4 (b) for details of application of the policy.

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.

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 counterparty 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.

iv) 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.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Financial instruments (Cont'd)

v) 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 and a new financial asset is recognised at fair value.

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.

vi) 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.

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 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 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.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j) Leased assets

Policy applicable from 1 January 2019

Operating leases as Lessee

Right-of-use assets and lease liabilities arising from operating lease contracts are initially measured on a present value basis. Lease liabilities include the present value of all fixed payments (less any lease incentives receivable), variable lease payments that are based on an index or rate, any amounts expected to be paid under residual value guarantees, the exercise price of any purchase options that are reasonably certain to be exercised and any payments for terminating a lease if the lease term reflects the exercise of that termination option. The lease payments are discounted using the discount rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to interest expense so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short term leases of 12 months or less and leases of low value assets (less than $5,000) are recognised as an expense on a straight line basis. Variable lease payments that are not based on an index or rate are recognised as an expense as incurred.

Right-of-use assets are initially measured at cost, comprising the amount on initial recognition of the lease liability plus any lease payments made before commencement of the lease, any initial direct costs and the estimated costs of any restoration required upon completion of the lease contract. Right-of-use assets are subsequently measured at cost less depreciation and any impairment. Right-of-use assets are depreciated on a straight line basis over the shorter of the term of the lease and the asset's useful life, unless there is a purchase option which is reasonably certain of being exercised, in which case the asset will be depreciated over its useful life.

Finance leases as Lessee

Finance leases, which transferred to the company substantially all the risks and benefits incidental to ownership of the leased item, were capitalised at the inception of the lease at the fair value of the leased item 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 were reflected in the statement of profit or loss. Capitalised leased assets were depreciated over the shorter of the estimated useful life of the asset and the lease term, if there was no reasonable certainty that the company will obtain ownership by the end of the lease term.

Company as a lessor

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

Policy applicable before 1 January 2019

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 fulfillment 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.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j) Leased assets (CONT'D)

Finance leases as Lessee

Finance leases, which transferred to the company substantially all the risks and benefits incidental to ownership of the leased item, were capitalised at the inception of the lease at the fair value of the leased item 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 were reflected in the statement of profit or loss. Capitalised leased assets were depreciated over the shorter of the estimated useful life of the asset and the lease term, if there was no reasonable certainty that the company will obtain ownership by the end of the lease term.

Operating leases as a Lessee

Operating lease payments were 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 did not transfer substantially all the risks and benefits of ownership of the asset were classified as operating leases. Initial direct costs incurred in negotiating an operating lease were 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 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.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Taxes (Cont'd)

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.

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.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Taxes (Cont'd)

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

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 at a point in time when the customer obtains control over the goods which is usually when the customer has receipted the goods for local sales or at bill of lading date for expected sales. Sales are due for settlement with in terms of 30 days to 90 days of sale.
Water Cooler Usage Fee	Cooler sales revenue is recognized when the company has transferred the customer the water cooler. Sales are due for settlement with in terms of cash on delivery (COD) to 90 days of sale.
Other Services	Sales are recognised at a point in time and are due for settlement with in terms of 30 days to 90 days of sale.

m) Earnings Per Share

Basic earnings per share and diluted earnings per share

Basic/ diluted earnings per share (EPS/DEPS) 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.

In 2019, both basic earnings per share the and diluted earnings per share are the same.

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 related to providing products or services within a particular economic environment that are different from other economic environments.

Operating segments

The Company's major operating segments are trading non-alcoholic beverages, wholesaling packaging materials 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.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 (generally 4 years) 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.

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 18.

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;

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

t) Finance costs (Cont'd)

- 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.

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.

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 2019 are summarised below:

	2019 ($)	2018 ($)
Financial Liabilities		
Bank overdraft (Note 18)	1,008,983	1,207,830
Term loan (Note 18)	8,740,249	9,574,460
Finance lease liability (Note 18)	144,812	261,830
Loan from related party (Note 22 b)	1,392,516	1,581,294
Total Financial Liabilities	11,286,560	12,625,414

Operating lease liabilities are only exposed to interest rate risk if there is a subsequent measurement of the lease.

NOTE 4. RISK MANAGEMENT (CONT'D)

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:

	2019 ($)	2018 ($)
Impairment loss/ (reversal) on trade and other receivables	(61,024)	144,741

Trade and other receivable

Expected credit loss assessment for trade and other receivables

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 tables provides information about the exposure to credit risk and ECLs for trade receivables from individual customers.

31 December 2019	Weighted Average Loss Rate	Gross Carrying Amount ($)	Loss Allowance ($)	Net Credit Impaired ($)
Current past due	1.1848%	1,446,113	17,134	1,428,979
30 days past due	3.3974%	137,550	4,673	132,877
60 days past due	8.6818%	51,291	4,453	46,838
90 days past due	17.0539%	5,665	966	4,699
More than 120 days past due	19.8233%	453,378	89,875	363,503
Receivables collectively assessed		2,093,997	117,101	1,976,896
Receivables individually assessed		572,664	276,000	296,664
Total trade receivables (Note 11)		2,666,661	393,101	2,273,560

NOTE 4. RISK MANAGEMENT (CONT'D)

b) Credit risk (Cont'd)

31 December 2018	Weighted Average Loss Rate	Gross carrying Amount ($)	Loss Allowance ($)	Credit Impaired ($)
Current past due	1.8092%	1,012,202	18,313	993,889
30 days past due	2.9936%	636,321	19,049	617,272
60 days past due	8.2519%	128,212	10,580	117,632
90 days past due	17.9490%	43,618	7,829	35,789
More than 120 days past due	22.4371%	545,320	122,354	422,966
Receivables collectively assessed		2,365,673	178,125	2,187,548
Receivables individually assessed		685,808	276,000	409,808
Total trade receivables (Note 11)		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.

Poorly performing receivables are subject to individual assessment considering the recovery, arrangements and best available information and forward looking factors relevant to those accounts.

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.

	2019 ($)	2018 ($)
Balance at 1 January 2019	454,125	309,384
Net re-measurement of loss allowance	-	176,000
Reversals during the year	(61,024)	(31,259)
Balance at 31 December 2019	**393,101**	**454,125**

Cash on hand and at bank

The company held cash of $299,030 at 31 December 2019 (2018: 24,905). Cash is held with bank and financial institution counterparties, which have sound credit ratings.

The company considers that its cash has low credit risk based on the external credit ratings of the counterparties and lack of default.

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.

NOTE 4. RISK MANAGEMENT (CONT'D)

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 $
2019				
Trade and other payables	1,776,960	-	-	1,776,960
Borrowings	1,285,980	4,718,784	5,668,649	11,673,413
Amount owing to related party	-	1,392,516	-	1,392,516
	3,062,940	6,111,300	5,668,649	14,842,889
2018				
Trade and other payables	1,439,556	-	-	1,439,556
Borrowings	1,336,740	5,780,339	5,228,520	12,345,599
Amount owing to related party	-	1,581,294	-	1,581,294
	2,776,296	7,361,633	5,228,520	15,366,449

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.

	2019 ($)	2018 ($)
Borrowings (Note 18)	9,986,640	11,044,120
Loan from related party (Note 22 (b))	1,392,516	1,581,294
Less cash on hand and at banks (Note 20)	(299,030)	(24,905)
Net debt	11,080,126	12,600,509
Equity	15,360,993	14,743,859
Total Capital (Total equity plus net debt)	26,441,119	27,344,368
Gearing ratio % (Net Debt / Total Capital X 100)	42%	46%
Debt to equity ratio % (Net Debt / Total Equity X 100)	72%	85%

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 2019, no allowance for impairment has been recorded as the directors and management believe that no indicators for impairment exist as at balance date.

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 the 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 engages an independent valuation specialist to assess fair value for investment property and land. Investment properties and land are valued by the independent valuer using a Market Based 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).

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.

NOTE 6. SEGMENT INFORMATION

The Company's major business segments are trading non-alcoholic beverages, wholesaling packaging materials 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.

	2019 ($)	2018 ($)
Water	10,417,859	8,348,951
Packaging and Other	3,325,194	3,850,877
Total operating revenue	13,743,053	12,199,828
Results		
Segment Results		
Water	3,238,901	2,284,527
Packaging and other	460,157	677,253
Exchange gain - unallocated	86,525	26,735
Expenses - unallocated	(2,490,169)	(2,282,845)
Profit from operating activities	1,295,414	705,670

Segment Assets and Liabilities

The Water segment inventory amounted to $973,233 (2018: $712,262) and the value of plant and equipment amounted to $3,159,459.

In other regards segment assets and liabilities cannot be reasonably allocated between operating segments.

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.

Geographical Information

The company sells products into overseas markets. Export sales amount to $2,319,346 (2018: $ 809,161) The company has no foreign based non current assets.

NOTE 7. REVENUES AND EXPENSES

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

7.1 Other Revenue

	2019 ($)	**2018 ($)**
Exchange gain – realised	86,525	26,735
Gain on disposal of plant and equipment	8,257	10,208
Miscellaneous income	767	136,531
Write back of allowance for impairment loss on accounts receivables	61,024	31,259
	156,573	204,733

7.2 Included in operating expenses are:

	2019 ($)	**2018 ($)**
Auditor's remuneration for:		
- audit services – current year	19,300	16,500
- audit services – prior years	9,995	5,000
- other services	-	4,490
Accounting Fees - other services	3,171	19,170
Directors' fees	17,500	10,000
Operating lease rentals*	87,877	95,231

**For 2019 only includes short term operating lease costs.*

7.3 Employee benefits expense

Wages and salaries	2,458,919	2,262,829
Employee entitlements	91,659	160,167
Contribution to superannuation funds	260,797	273,924
FNU levy and staff training	29,075	29,165
Staff allowances and other benefits	124,345	4,272
	2,964,795	2,730,357

7.4 Finance costs

Interest charges		
-Term Loans and Finance Leases	527,150	455,264
-Operating Lease liability	2,312	-
	529,462	455,264

NOTE 8. INCOME TAX

	2019 ($)	2018 ($)
(a) Income Tax Expense		
The prima facie tax payable on profit is reconciled to the income tax expense as follows:		
Profit before income tax	765,952	6,780,406
Prima facie tax thereon at 10%	76,595	678,041
Tax effect of differences:		
Non-deductible expenses	17,585	17,900
Over under provision for income tax expense in prior year	(1,487)	(6,200)
Income tax expense attributable to profit	92,693	689,741
Income tax expense comprises movements in:		
Current tax liabilities	56,025	45,462
Deferred tax	36,668	644,279
	92,693	689,741
(b) Current Tax Liability / (Current Tax Asset)		
Balance at the beginning of the year	(40,636)	27,402
Tax liability for the current year	57,512	51,663
Payments made during the year	-	(109,210)
Contractors provisional tax paid	(3,288)	(4,291)
Over provision of income tax in prior year	(1,487)	(6,200)
Balance at the end of the year	12,101	(40,636)

(c) Deferred Tax

Deferred tax comprise the estimated tax effect at the future income tax rate and capital gain tax rate of 10% on the following items:

	Provisions	Property, Plant & Equipment& Investment Property	Total
At 1 January 2018	(48,802)	173,349	124,547
Charged/(credited) to profit or loss	(24,509)	691,891	667,382
At 31 December 2018	(73,311)	865,240	791,929
Charged/(credited) to profit or loss	11,666	25,002	36,668
At 31 December 2019	(61,645)	890,242	828,597

NOTE 9. EARNINGS PER SHARE

Basic/diluted 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.

	2019 ($)	2018 ($)
Net profit after tax	673,259	6,090,665
Weighted average number of ordinary shares outstanding	6,642,223	6,600,000
Basic/Diluted earnings per share	0.10	0.92

NOTE 10. DIVIDENDS PAID OR DECLARED

Details of the dividends paid or declared are:

Year	Cents per share	Date declared	2019 ($)	2018 ($)
2019 Interim	2 cents	12-Nov-19	132,841	-
2018 Final	2 cents	30-May-19	132,000	-
2018 Interim	2 cents	22-Nov-18	-	132,000
2017 Final	2 cents	17-May-18	-	132,000
			264,841	264,000

NOTE 11. TRADE AND OTHER RECEIVABLES

	2019 ($)	2018 ($)
Trade receivables	2,666,661	3,051,481
Less : Allowance for impairment loss	(393,101)	(454,125)
	2,273,560	2,597,356
Deposits	33,806	47,987
Other receivables and prepayments	192,925	281,423
Total current trade and other receivables	2,500,291	2,926,766

(a) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. During the year $393,101(2018: $454,125) was recognised as provision for expected credit losses on trade receivables. No collateral is held in relation to the collection of receivables.

(b) Movement in the allowance for impairment loss:

	2019	2018
As at 1 January	454,125	210,404
Adjustment on application of IFRS 9	-	98,980
Additional allowance	-	176,000
Reversals during the year	(61,024)	(31,259)
As at 31 December	393,101	454,125

NOTE 12. INVENTORIES

	2019 ($)	2018 ($)
Finished goods	1,027,087	1,092,744
Raw Materials	950,287	676,937
Spare Parts	261,532	237,961
Less: Allowance for inventory obsolescence	(44,393)	(99,856)
	2,194,513	1,907,786
Goods in transit	355,336	434,190
Total inventories at the lower of the cost and net realisable value	2,549,849	2,341,976

(a) Movement in the allowance for inventory obsolescence

As at 1 January	99,856	89,465
Additional allowance/(Reversals) during the year	(55,463)	10,391
As at 31 December	44,393	99,856

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

	Land $	Buildings $	Plant & Equipment $	Motor Vehicles $	Leased Vehicles $	Water Coolers and Bottles $	Work in Progress $	Total $
Gross carrying amount								
Cost/ Fair value								
Balance at 1 January 2018	1,040,000	9,947,866	6,069,696	744,787	290,758	1,117,842	40,650	19,251,599
Additions		100,673	389,370	263,693	-	292,822	182,616	1,229,174
Transfer in / (out)		168,685	9,325	-	-	-	(178,010)	-
Disposals		-	(26,567)	(76,055)	-	-	-	(102,622)
Revaluation gain	330,000	-	-	-	-	-	-	330,000
Balance at 31 December 2018	1,370,000	10,217,224	6,441,824	932,425	290,758	1,410,664	45,256	20,708,151
Additions	-	66,575	332,801	27,078	-	103,108	100,062	629,624
Disposals	-	(11,647)	(1,122,421)	(45,016)	-	(826,248)	-	(2,005,332)
Transfer in / (out)	-	43,913	22,935	-	-	-	(74,138)	(7,290)
Balance at 31 December 2019	1,370,000	10,316,065	5,675,139	914,487	290,758	687,524	71,180	19,325,153
Accumulated depreciation								
Balance at 1 January 2018	-	113,209	2,419,838	414,527	9,000	948,187	-	3,904,761
Depreciation expense	-	227,643	516,003	122,799	37,942	99,768	-	1,004,155
Disposals	-	-	(9,004)	(13,690)	-	-	-	(22,694)
Balance at 31 December 2018	-	340,852	2,926,837	523,636	46,942	1,047,955		4,886,222
Depreciation expense	-	228,784	489,158	120,984	47,975	79,607	-	966,508
Disposals	-	(10,974)	(1,112,552)	(35,983)	-	(826,248)	-	(1,985,757)
Balance at 31 December 2019	-	558,662	2,303,443	608,637	94,917	301,314	-	3,866,973
Net book value								
As at 31 December 2018	**1,370,000**	**9,876,372**	**3,514,987**	**408,789**	**243,816**	**362,709**	**45,256**	**15,821,929**
As at 31 December 2019	**1,370,000**	**9,757,403**	**3,371,696**	**305,850**	**195,841**	**386,210**	**71,180**	**15,458,180**

In December 2019, the land was revalued by the directors based on an independent valuation by registered valuer, Rolle Associates. The valuation methodology adopted by the valuers was a Market Based Approach. Refer to note 14 for details of the valuation. The company revised its estimates of the useful life of watercoolers from approximately four years to 10 years. This had the impact of reducing the depreciation charge for 2019 by $60,198.

NOTE 14. INVESTMENT PROPERTIES

		2019 ($)	2018 ($)
At 1 January	$	8,600,000	2,070,000
Revaluation - Change in fair value of investment property		-	6,530,000
At 31 December		8,600,000	8,600,000

Investment Properties comprise surplus and held for capital appreciation. The investment properties are recorded at fair value by the directors based on independent valuations by registered valuer, Rolle Associates at 31 December 2019 and 2018. The fair value assessment by the independent valuer is based on a Market Approach. Valuation is based on Level 3 inputs including a market based assessment of the land having a value of $26,875 per acre. A 5% change to the value will have a $430,000 impact to the carrying value of the investment property. There has been no change to the approach determining the fair value from the previous year.

NOTE 15. INTANGIBLE ASSETS

Software	2019 ($)	2018 ($)
At 1 January - Cost	119,149	119,149
Additions	8,100	-
Less : Disposals	(8,314)	-
Accumulated amortisation	(110,121)	(116,604)
At 31 December	8,814	2,545
Amortisation for the year	1,831	4,098
Trade mark		
At 1 January - Cost	75,336	65,020
Addition/ Adjustment	-	10,316
At 31 December	75,336	75,336
Net written down value	84,150	77,881

NOTE 16. OPERATING LEASES

As a lessee

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

Right-of-use asset

	2019 ($)	2018 ($)
At 1 January	-	-
Additions	106,339	-
Depreciation charge for the year	(14,769)	-
At 31 December	91,570	-

NOTE 16. OPERATING LEASES [CONT'D]

Operating Lease liability

Lease liabilities included in the statement of financial position at 31 December within Borrowings

	2019 ($)	2018 ($)
At 1 January	-	-
New lease during the year	106,339	-
Lease principal payments	(13,743)	-
	92,596	-
Current	34,296	-
Non-Current	58,300	-
At 31 December	92,596	-

Amounts recognised in profit or loss

Depreciation	14,769	-
Interest	2,312	-
At 31 December	17,081	-

Amounts recognised in the statement of cash flows

Total cash outflow for operating leases		
- Principal repayment	13,743	-
- Interest paid	2,312	-
	16,055	-

Maturity analysis – contractual undiscounted cash flows for operating leases

Less than one year	38,532	103,560
One to five years	61,009	-
More than five years	-	-
At 31 December	99,541	103,560

NOTE 17. TRADE AND OTHER PAYABLES

	2019 ($)	2018 ($)
Trade payables (i)	735,993	639,164
Refundable Deposits (ii)	557,935	486,924
Other accruals and payables	529,334	373,207
	1,823,262	1,499,295

Terms and conditions of the above financial liabilities:

(i) Trade payables are non-interest bearing and are normally settled on 30 to 60-day terms.
(ii) Refundable deposits are received from customers for renting water coolers.

NOTE 18. BORROWINGS

	2019 ($)	2018 ($)
Current		
Bank overdraft (i)	1,008,983	1,207,830
Term loan (ii)	851,963	882,713
Finance lease liability (iii)	39,668	58,841
Operating lease liability (Note 16)	34,296	-
Total current borrowings	1,934,910	2,149,384
Non-Current		
Term loan (ii)	7,888,286	8,691,747
Finance lease liability (iii)	105,144	202,989
Operating lease liability (Note 16)	58,300	-
Total non-current secured borrowings	8,051,730	8,894,736
Total borrowings	9,986,640	11,044,120

i) Bank overdraft

Bank overdraft facility with Bank of the South Pacific (BSP) bears interest at the rate of 4.5% per annum. The overdraft facility is limited to $1,300,000.

ii) Term loan

Term loans with BSP bear interest at rates of 4.5% and 5.5% per annum and are repayable by monthly instalments of $59,832 (inclusive of interest) and $43,499 (inclusive of interest), respectively.

iii) Finance lease liability

Finance leases are with BSP and subject to interest at a rate of 5% per annum and repayable by monthly instalments of $3,834 (inclusive of interest). Finance leases are secured over the leased assets.

BSP borrowing 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 vehicles.

NOTE 18. BORROWINGS (CONT'D)

Reconciliation of movement of borrowings (excluding cash and cash equivalents) to cashflows from financing activities

	Term Loan Borrowings $	Finance Lease Liabilities $	Operating Lease Liability $	Total $
Balance as at 1 January 2019	9,574,460	261,830	-	9,836,290
Changes from financing cash flows				
Repayment of borrowings	(834,211)	-	-	(834,211)
New lease during the year	-	-	106,339	106,339
Payment of lease liabilities	-	(117,018)	(13,743)	(130,761)
Total	8,740,249	144,812	92,596	8,977,657
Other changes - Liability related				
Interest expense	405,701	11,459	2,312	419,472
Interest paid	(405,701)	(11,459)	(2,312)	(419,472)
Total liability related other changes	-	-	-	-
Balance at 31 December 2019	**8,740,249**	**144,812**	**92,596**	**8,977,657**

	Term Loan 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	**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 19. EMPLOYEE ENTITLEMENTS

	2019 ($)	2018 ($)
At 1 January	173,596	183,211
Net movement	5,365	(9,615)
At 31 December	178,961	173,596

NOTE 20. CASH AND CASH EQUIVALENTS

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:

	2019 ($)	2018 ($)
Cash on hand and at banks	299,030	24,905
Bank overdraft (Note 18)	(1,008,983)	(1,207,830)
Total cash and cash equivalents	(709,953)	(1,182,925)

NOTE 21. SHARE CAPITAL

a) Issued and Paid up Capital

	2019 ($)	2018 ($)
Issued and Paid up Capital		
Balance at 1 January (6,600,000 ordinary shares)	3,100,000	3,100,000
Additional ordinary shares issued	208,716	-
Balance at end of the year (6,684,500 ordinary shares)	3,308,716	3,100,000

During the year, 84,500 additional shares at $2.47 per share were issued by way of a dividend reinvestment option exercised. All shares issued have equal rights.

The total number of shares authorized is 100,000,000. The shares have no par value.

b) Asset Revaluation Reserve

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

Asset revaluation reserve relates to revaluation gains attaching to land that has not been classified as investment property.

NOTE 22. 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

	2019 ($)	2018 ($)
Loan from director / shareholder	1,392,516	1,581,294

NOTE 22. RELATED PARTY DISCLOSURES [CONT'D]

This loan is subject to interest at 4% to 4.5%. The director/shareholder will not demand repayment of the loan during 2020.

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, the 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.

d) Compensation of Key Management Personnel (Cont'd)

The remuneration of the key management personnel during the year was as follows:

	2019 ($)	2018 ($)
Short term employee benefits	571,734	478,808

NOTE 23. CONTINGENT LIABILITIES

	2019 ($)	2018 ($)
Bank guarantee and bonds	67,124	53,422
Expenditure Commitments		
Capital commitments	-	-

NOTE 24. EVENTS SUBSEQUENT TO BALANCE DATE

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

NOTE 25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 19 March 2020.