FMF FOODS LIMITED

(Formerly Flour Mills of Fiji Limited)

ANNUAL REPORT
2020

10th October, 2020

Dear Shareholder

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

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

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

The completed form could be returned to us as follows:

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

The Company Secretary
FMF Foods Limited
P.O.Box 977, Leonidas Street
Walu Bay
Suva

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

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

Best regards

Sandeep Kumar
Company Secretary

CONSENT FOR RECEIVING NOTICES AND ANNUAL REPORT IN ELECTRONIC MODE

To

The Company Secretary
FMF Foods Limited
P.O.Box 977, Leonidas Street
Walu Bay
Suva

Dear Sir,

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

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

SIN ____________________

Name of the Sole / First Shareholder :____

Name of the Joint Shareholders (if any) : ____

____

No. of shares held :____

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

Date:

Place: Signature: ________________________

(Sole/ First Shareholder)

FMF FOODS LIMITED

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FMF FOODS LIMITED

BOARD OF DIRECTORS

Mr. Hari Punja ORDER OF FIJI, OBE, - *Chairman*

Mr. Rohit Punja - *Executive Director*

Mr. Ram Bajekal - *Managing Director*

Mr. Ajai Punja - *Non-Executive Director*

Mr. Gary Callaghan – *Independent Director*

Mr. Pramesh Sharma – *Independent Director*

Ms. Leena Punja - *Alternate to Mr. Hari Punja*

GROUP CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr.Sandeep Kumar

AUDITORS

PricewaterhouseCoopers,
Chartered Accountants,
Suva.

SOLICITORS

M/s Sherani & Co.

BANKERS

Australia and New Zealand Banking Group Limited

REGISTERED OFFICE

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

SHARE REGISTRAR AND SHARE TRANSFER AGENTS

Central Share Registry Limited
Shop 1 and 11,
Sabrina Building
Victoria Parade, Suva.
Telephone: +679 330 4130 ; +679 331 3764
Email: registry@spx.com.fj

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 48th Annual General Meeting (AGM) of FMF Foods Limited will be held on **Friday, November 13, 2020** at **11.00 a.m.**, at The Training Room, Atlantic & Pacific Packaging Company Limited, Leonidas Street, Walubay, Suva, Fiji.

The Members and other stakeholders eligible to participate in the AGM have the option to attend the meeting either in person or on-line by logging on to an online video conference platform. Those who wish to attend the meeting on-line are requested to fill in the pre-registration form attached to the Notice and send their confirmation of participation to sandeepk@fmf.com.fj no later than 5 p.m. Monday, 9th November 2020.

Members and other stakeholders who intend to attend the meeting in person or by Proxy would be required to follow the social distancing guidelines and social gathering Government regulations. Based on our prior experience, we anticipate that we will be able to welcome all who wish to attend in person.

As the circumstances relating to COVID-19 are changing rapidly, we will update shareholders if any of these changes impact arrangements for the Annual General Meeting.

The business to be transacted at the AGM are as follows:

Ordinary Business

Item No.1 – Consideration of Financial Statements, Directors' Report & Auditor's Report

To receive and consider the consolidated financial statements of the Group for the year ended June 30, 2020, including the audited statement of financial position as at June 30, 2020, the statement of profit and loss and other comprehensive income for the year ended on that date and the report of the Board of Directors ('the Board') and Auditors thereon.

Item No.2 – Confirmation of Interim Dividend

To confirm declaration of Interim Dividend of 2.00 cents per equity share, declared by the Company on 27th May, 2020 for the financial year ended on June 30, 2020.

Item No.3 – Election of Directors

(a) Mr. Hari Punja

To appoint a Director in place of Mr.Hari Punja, who retires by rotation and being eligible in accordance with Article 52 of the Articles of Association of the Company, offers himself for re-appointment.

(b) Mr. Pramesh Sharma

To appoint a Director in place of Mr.Pramesh Sharma, who retires by rotation and being eligible in accordance with Article 52 of the Articles of Association of the Company, offers himself for re-appointment.

Item No.4 – Appointment of Auditors

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

Any Other Business

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

By **Order of the Board of Directors**

Sandeep Kumar K
Chief Financial Officer and
Company Secretary

25th September 2020

Registered Office:
Leonidas Street,
Walu Bay, Suva, Fiji

PROXIES

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

Explanatory Notes:

ORDINARY BUSINESS:

Item No.1 – Consideration of Financial Statements, Directors' Report & Auditor's Report

As required by Section 401 of the Companies Act 2015, the Annual Report of the Company comprising of the Financial Report, the Directors' Report and the Auditor's Report of the Company for the financial year ended on June 30, 2020 will be laid before the meeting. The audited financial statements of the Company and its subsidiaries (together the 'Group') have been prepared and reported based on a consolidated basis as per the International Financial Reporting Standards (IFRS).

In line with the provisions of the Companies Act 2015 and as stipulated by the Articles of Association of the Company, the audited financial statements would be laid before the Shareholders present at the AGM for consideration and discussion. Shareholders will be given a reasonable opportunity to ask questions about or make comments on the management of the Company, however, there will be no formal resolution put to the meeting. Questions that cannot be answered at the AGM would be addressed through a market announcement by the Company within a reasonable timeframe.

Item No.2 – Confirmation of Interim Dividend

The interim dividend of 2.00 cents per share declared by the Company on 27th May, 2020 for the financial year ended on June 30, 2020 be ratified by the shareholders of the Company.

Item No.3 – Election of Directors

In accordance with Article 52 of the Articles of Association of the Company, one third of the Directors, based on serving longest in office since their last appointment, shall retire from office and a retiring Director shall be eligible for re-election. Based on this, Mr.Hari Punja and Mr.Pramesh Sharma would retire by rotation and are eligible to be re-elected.

The Board proposes that Mr.Hari Punja and Mr.Pramesh Sharma be re-appointed as Directors of the Company as it considers that each nominee possesses attributes necessary for the development of the Company.

A brief profile of the retiring Directors seeking re-appointment is as follows:

Mr.Hari Punja:

Mr.Hari Punja ORDER OF FIJI, OBE, is the founder of Hari Punja Group of Companies and serves as the Chairman of the Board. Mr.Punja received his education in Fiji and Australia and is trained as a chemical engineer. Mr.Punja joined the business in 1960. He has served as a Mayor of Lautoka and on a number of prestigious Boards such as Fiji Broadcasting Commission, Fiji Sugar Corporation etc. He served as a Senator from 1996 to 1999.

Mr.Punja has served as the Chairman of The Rice Company of Fiji Limited and Atlantic & Pacific Packaging Company Limited until December 1, 2016. He has also served as the Chairman of Punja & Sons Ltd., Unwired Fiji Limited etc.

Mr.Pramesh Sharma:

Mr.Pramesh Sharma was appointed as a non-executive Director of the Company in November, 2010. Mr.Pramesh Sharma is employed with BSP Life (Fiji) Ltd in the capacity of Chief Investment Officer and has served previously on BSP Life and BSP Health boards apart from numerous other Boards, both statutory and private. He has rich experience in the corporate sector, having worked previously with organisations such as Merchant Bank of Fiji (now Merchant Finance Ltd) as the CEO, Westpac Banking Corporation in senior roles and holds Executive Director roles in Oceania Hospitals Pte Limited and Future Farms Ltd. Mr.Sharma is also the current Chairman of Denarau Corporation Limited and the Hotel Trust of Denarau. Mr.Sharma has also served as Chairman of South Pacific Stock Exchange Board.

Item No.4 – Appointment of Auditors

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

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

CHAIRMAN'S REPORT TO THE SHAREHOLDERS

Dear Shareholders,

I am writing this report in the middle of a challenging time with the COVID-19 pandemic still making its impact felt, both on human lives as well as on economies across the globe. Fiji has been no exception, though swift measures by the Government in securing our borders has minimized the number of cases here. The impact on the economy though has been severe with inbound tourism coming to a standstill and contributing most to the contraction of the economy by over 21%, according to the Reserve Bank of Fiji. Your Company experienced the adverse effect of this phenomenon, particularly during the two lockdown periods in Lautoka and Suva when it faced the challenge of keeping production lines working and the supply chain moving to ensure that its products reached supermarket shelves on time and did not exacerbate the panic-buying that was happening all over the country. I must commend our team that rose to this challenge and demonstrated exceptional agility and determination in this successful effort.

It is with satisfaction therefore, that I report to you the Company's strong growth during the financial year 2019-20. Group revenue during the year was $204.9 Mn. compared to $190.2 Mn. in the previous year, a growth of 8%. The Group's net profit increased by 82% to $12.4 Mn. from $6.8 Mn. of the preceding year. However, considering the business and financial uncertainties created by the pandemic, the Company has decided to maintain the dividend payout for FY'20 at $3.0 Mn., which is the same as last year.

Outlook

Despite expected concerns, it is not the COVID-19 situation that is expected to have any significant impact on Australian wheat production this year; on the other hand, it is unfavourable weather conditions in some growing regions of Australia that could dampen the earlier estimates of a high crop in 2020-21, forecast to increase by 91% to 29 million. However, wheat prices during the first half of the year have strangely remained firm due to a combination of increased demand, uncertainty in production and a tight stock position of the old-season wheat. Prices for new-season wheat in the second half of our financial year are however expected to drop in line with the crop projections. As for consumption, the pandemic has had an impact on the level and pattern of consumer spending, particularly on discretionary-spend items such as sweet-biscuits, chips and noodles. The reduction in import duties and removal of import excise announced in the national budget 2020-21 is expected to bring in a higher volume of imported products into the country at very competitive prices. This could pose us a fresh set of challenges, quite apart from reduced consumption.

While we are conscious of the near-term uncertainty caused by COVID-19, we will continue to focus on strengthening our operations and portfolio through innovations, leveraging our brands and working diligently on cost and productivity management.

In closing I would like to thank our employees, customers, suppliers, financiers, authorities and the community at large for their commitment and continued support to the Group during these challenging times. I would also like to thank you, our shareholders, for your trust and confidence bestowed on us over the years. I am confident that together we will overcome this turbulence.

Sincerely,

Hari Punja **ORDER OF FIJI, OBE,**
Chairman

25th September 2020

FMF Foods Limited

Corporate Governance Report

For the Financial Year ended on 30th June, 2020

Principle	Requirement	Compliance Status (Please provide details)
1. Establish clear responsibilities for board oversight	Separation of duties: Clear separation of duties between Board and Senior Management.	In place and included in the Board Charter.
	Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board.	In place
2. Constitute an effective Board	Board Composition: Balanced Board Composition with Executive and Non-Executive directors of which 1/3rd of total number of directors to be independent directors.	Complied. The Board comprises of 6 Directors out of which 2 Directors are Independent.
	Gender Diversity: Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	This is currently part of Human Resource Ethics and Code of Conduct. At present, the Board comprises of one Female Alternate Director.
	Nomination Committee: Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	Currently the Board discharges this function.
	Board Evaluation: Process of evaluation of performance of the Board, its Committees and individual directors. Evaluation to be linked to key performance indicators of the listed entity.	The Board is in the process of considering a suitable sub-committee for this purpose
	Directors Training: Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.	In Place
	Board Sub-committees: Board must have sub-committees which must at a minimum include - • Audit Committee; • Risk Management Committee; and • Nomination Committee/Recruitment Committee.	The Board has an Audit and Finance Sub-Committee which also oversees the Risk Management framework. The Board is in the process of setting up a Nomination committee.
3. Appointment of Chief Executive Officer/Managing Director	CEO: To appoint a suitably qualified and competent Chief Executive Officer/ Managing Director	The Board has appointed a suitably qualified and competent Managing Director entrusted with substantial powers of management of the affairs of the Company.
4. Appointment of a Board and Company Secretary	Company Secretary: Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.	The Company has appointed a suitably qualified and competent Company Secretary who is entrusted with managing corporate secretarial functions as well as ensuring compliance with statutory and regulatory requirements.

5. Timely and balanced disclosure	Annual Reports: Timely and accurate disclosures are made in Annual reports as per Rule 51 of Listing Rules.	All relevant disclosures as mandated under the Listing Rules have been complied with.
	Payment to Directors and Senior management: Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.	Relevant disclosures are made in the Annual Accounts.
	Continuous Disclosure: General disclosures or company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.	Complied
6. Promote ethical and responsible decision-making	Code of Conduct: To establish a minimum Code of Conduct of the listed entity applicable to directors, senior management and employees and conduct regular trainings on the same.	Code of Ethics and code of conduct outlines how employees should conduct/ behave themselves and provide specific guidance for handling issues like harassment, work ethics, safety matters, conflict of interest. This policy is explained and made aware to all employees right from induction after joining and is further outlined in the employment contracts.
7. Register of Interests	Conflicts of Interest: Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.	The Company maintains a Register of Interest wherein the interests of Directors are noted. Further, there is a specific policy in place on conflict of interest signed by the employees.
8. Respect the rights of shareholders	Communication with shareholders: To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.	The Board aims to ensure and promotes effective communication with shareholders, principally through issuing market announcements of material information through SPX, publishing half-yearly unaudited financials, audited annual financial accounts, annual report including notices of general meetings along with explanatory statement and resolutions passed during general meeting. Shareholders are invited to participate in general meetings and are given an opportunity to communicate with the Board of Directors in that forum.
	Website: To create and maintain a Website of the listed entity to communicate effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the Website.	Website in place www.fmf.com.fj
	Grievance Redressal Mechanism: To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.	There is an Investor Grievance Redressal Policy in place. The Company Secretary acts as the Compliance Officer for this Policy.
	Shareholders' Complaints:	There were no complaints received during the year.

	To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.	
	Corporate Sustainability: To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social, economic, and environmental impacts.	Enhancing and sustaining long term shareholder value is at the core of all business decisions and the Company's vision, values and policies are its guiding pillars.
9. Accountability and audit	Internal Audit: To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.	The company has an in-house internal audit and risk department which evaluates and improve the effectiveness of the Company's governance, risk management and internal control processes. The Head of Internal Audit & Risk reports to the Audit & Finance Sub-Committee.
	External Audit: To appoint an external auditor who reports directly to the Board Audit Committee.	The external auditors are appointed by the company in its annual general meeting. The Audit and Finance Sub-Committee is responsible for overseeing the financial reporting and disclosure process, performance and independence of the external auditors.
	Rotation of External Auditor: To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.	The engagement partner of the external auditors rotates every five to seven years.
	Audit Committee: To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.	Audit and Finance Sub Committee comprises of three Directors and is chaired by an independent director.
10. Risk Management	Risk Management Policy: To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit committee, management and internal audit function.	The company has a Risk Management Policy in place. The Board is responsible for oversight and monitoring the effectiveness of risk management by the business and ensuring that appropriate internal control mechanisms are in place. The senior management is responsible for implementing policies and procedures to ensure that key business and operational risks are identified and appropriate controls are implemented to ensure adequate reporting, management and mitigation of those risks.
	Whistle Blower Policy: As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behavior, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act. [Refer Rule 68 of the Listing Rules]	Whistle Blower Policy in place in addition to Policy against sexual harassment. The company also has a Policy on Prevention of Insider Trading to manage ethical trading of Company's Securities.

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the Directors herewith submit the consolidated statement of financial position of FMF Foods Limited and its subsidiaries (together forming "the Group") as at 30 June 2020 and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and report as follows:

1 Directors

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

- Hari Punja Order of Fiji, OBE – Chairman
- Rohit Punja - Executive Director
- Ram Bajekal - Managing Director
- Ajai Punja
- Gary Callaghan
- Pramesh Sharma
- Leena Punja (Alternate Director to Hari Punja)

2 Principal activities

The principal activities of the Group comprise of milling of wheat, whole dunfield peas, manufacturing of packaging materials including corrugated cartons, assorted containers and bags, manufacturing of biscuits and snack food products, sale of rice, wheat and related products and investments.

3 Trading results

The net profit after income tax of the Group attributable to the members of the Company for the year was $12.4m (2019: $6.8m).

4 Provisions

There were no material movements in provisions.

5 Dividends

During the year, the Group has declared an interim dividend of 2.00 cents per equity share (2019: 2.00 cents) entailing outflow of $3.0m (2019: $3.0m). No further dividend is recommended for the financial year ended 30 June 2020.

6 Going concern

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

DIRECTORS' REPORT (Cont'd)

7 Bad and doubtful debts

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

8 Current assets

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

9 Impact of COVID-19 Pandemic

The outbreak of the COVID-19 pandemic has resulted in heightened uncertainty globally across industry segments. There has been significant adverse financial and social impact in Fiji and globally caused by this pandemic. The changes in consumer behavior, buying patterns and working environment arising due to COVID-19 pandemic may pose some challenges for the businesses. While the Group’s staple food products such as flour and rice are expected to be only marginally affected by lower sales due to present socio-economic conditions, we do expect sales of impulse-purchase products such as biscuits, chips and noodles to be more heavily impacted. The Group has been focusing on ensuring the safety of its employees and other stakeholders as well as ensuring the availability of its products, most of which are daily essentials, across the country. Based on current estimates, the Group does not expect any material impact on the carrying amount of these assets and liabilities. The Board shall review the long term impact of the pandemic and take all steps necessary for the Group to adapt itself to emerging changes and the new normal.

10 Events subsequent to balance date

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

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

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

11 Related party transactions

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

DIRECTORS' REPORT (Cont'd)

12 Other circumstances

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

13 Unusual transactions

The results of the Group's operations during the year have not in the opinion of the Directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

14 Directors' and executive managements' interests

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

	Beneficially		Non-Beneficially	
	Additions	Holding	Additions	Holding
Hari Punja	-	-	-	106,124,847
Gary Callaghan	-	1,700,225	-	1,487,240
Ajai Punja	-	-	-	106,124,847
Rohit Punja	-	-	-	106,124,847
Leena Punja (Alternate to Hari Punja)	-	-	-	106,124,847
Anuj K Patel	-	17,500	-	-

15 Directors' benefits

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

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

Dated this 25th day of September 2020.

Director

Director

DIRECTORS' DECLARATION

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

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

a) In the opinion of the Directors, the financial statements of the Group for the financial year ended 30 June 2020:

   i) comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the Group as at 30 June 2020 and of the performance and cash flows of the Group for the year ended 30 June 2020; and

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

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

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

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

Dated this 25th day of September 2020.

....	....
Director	Director

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF FMF FOODS LIMITED

As group auditor for FMF Foods Limited and its subsidiaries for the financial year ended 30 June 2020, 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 FMF Foods Limited and the entities it controlled during the financial year.

PricewaterhouseCoopers
Chartered Accountants

PricewaterhouseCoopers

by

Kaushick Chandra
Partner

25 September 2020

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

Independent Auditor's Report

To the Shareholders of FMF Foods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of FMF Foods Limited (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2020, and of its consolidated financial performance and its consolidated 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 Consolidated 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 Group in accordance with the ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 addressed the key audit matter
Timing of recognition for export revenues **(Refer also to Note 2.18)** Timing of recognition for export revenues is considered a key audit matter, as sales into overseas markets represent a significant portion of total Group revenues and the appropriate recognition for export revenues is dependent on export sales terms, shipping arrangements and movements. These terms vary by customer and delivery of goods to customers may take up to a month, thereby increasing the risk of premature recognition of export revenues occurring close to balance date.	Our audit procedures to ensure export revenues were accounted for in the correct accounting period included the following: • Understanding and evaluating the appropriateness of the Group's accounting policies, processes and controls over the timing of recognition for export sales. • Testing the timing of recording export sales by selecting a sample of export sale transactions recorded in the accounting records before and after the balance date, and sighting the sales terms and internal and external shipping documents to ensure if the export sales were recorded in the correct accounting period. • Testing a sample of export sale transactions recorded during the year back to supporting details of sales terms and shipping documents. • Obtaining confirmations of accounts receivable balances from a selection of export sale customers as at balance date.

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Key audit matter	How our audit addressed the key audit matter
Volume of wheat inventory (Refer also to Notes 2.8 and 13) Wheat inventory stored in silos represents a significant portion of the Group's raw materials balance within total inventories. The quantity of wheat inventory on hand at balance date is determined by physical measurement of volume at that date. The measurement of volume of wheat inventory stored in silos involves some judgment and estimates regarding the silos and level of contents, and accordingly, the existence of wheat inventory is considered a key audit matter.	Our audit procedures in response to the existence and measurement of volume of wheat inventory included the following: • Understanding and evaluating the appropriateness of the Group's accounting policies, processes and controls over the measurement of volume of wheat inventory. • Attending the annual inventory measurement on all silos at balance date and observing the measurements of the silo's contents. • Agreeing assumptions and inputs on the volume calculation models to supporting documentations from the silo manufacturer and externally available industry data and considering their reasonableness. • Reperforming volume calculations performed by management to ensure they were accurate. • Performing sensitivity analysis on the volume calculation models to ascertain whether sensitivities calculated are materially significant.

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Other Information

The directors and management are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2020 (but does not include the consolidated financial statements and our auditor's report thereon).

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained 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 Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Report on Other Legal and Regulatory Requirements

In our opinion, the consolidated 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 Group has kept financial records sufficient to enable the consolidated 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
Chartered Accountants

Kaushick Chandra
Partner

25 September 2020
Suva, Fiji

FMF FOODS LIMITED AND SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $'000	2019 $'000
Revenue	6	204,885	190,195
Other operating income	7	781	1,467
Changes in inventories of finished goods and work in progress		575	1,296
Raw materials and consumables used		(129,829)	(128,863)
Staff costs		(20,228)	(17,779)
Depreciation on property, plant and equipment	18	(7,998)	(8,116)
Depreciation on right-of-use assets	23	(525)	-
(Created)/ reversal of impairment loss on trade receivables	4(b)	(476)	89
Other operating expenses		(31,463)	(29,165)
Profit from operations		15,722	9,124
Finance income	8	403	207
Finance cost	8	(1,666)	(847)
Profit before tax	9	14,459	8,484
Income tax expense	10	(2,066)	(1,658)
Profit for the year from continuing operations		12,393	6,826
Other comprehensive income		-	-
Total comprehensive income for the year		12,393	6,826
Attributable to:			
- Owners of the parent company		11,037	5,293
- Non-controlling interests		1,356	1,533
		12,393	6,826
Basic and diluted earnings per share (cents)	26	7.36	3.53

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

FMF FOODS LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	2020 $'000	2019 $'000
Current assets			
Cash on hand and at bank	12(a)	22,025	27,436
Inventories	13	65,940	38,813
Trade receivables	14	22,140	27,039
Prepayments and other receivables	15	5,234	11,112
Other investments	16	12,082	8,591
Current income tax assets	10	1,650	1,514
Amounts owing by related companies	28(c)	5	-
		129,076	114,505
Non-current assets			
Property, plant and equipment	18	77,682	88,772
Right-of-use assets	23(a)	16,366	-
Other Investments	16	-	2,519
Deferred income tax assets	11(a)	643	797
		94,691	92,088
Total assets		223,767	206,593
Current liabilities			
Bank overdraft	12(a)	42,936	44,333
Trade and other payables	20	13,655	12,094
Current income tax liabilities	10	-	84
Borrowings	22	2,000	1,000
Lease liabilities	23(b)	303	-
Amounts owing to related companies	28(d)	293	223
		59,187	57,734
Non-current liabilities			
Borrowings	22	10,749	7,000
Lease liabilities	23(b)	2,465	-
Deferred income tax liabilities	11(b)	6,089	5,268
		19,303	12,268
Total liabilities		78,490	70,002
Net assets		145,277	136,591
Equity			
Share capital	24	6,000	6,000
Retained earnings		131,948	123,911
Foreign currency translation reserve		(12)	(6)
		137,936	129,905
Non-controlling interests		7,341	6,686
Total equity		145,277	136,591

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 Directors.

Dated this 25th day of September 2020.

....
Director

....
Director

FMF FOODS LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Attributable to owners of the parent company					
		Share capital $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Totals $'000	Non - controlling interests $'000	Total equity $'000
Balance at 1 July 2018		6,000	121,618	-	127,618	5,854	133,472
Comprehensive income							
Profit for the year		-	5,293	-	5,293	1,533	6,826
Other comprehensive income		-	-	(6)	(6)	-	(6)
Total comprehensive income		6,000	126,911	(6)	132,905	7,387	140,292
Transactions with owners							
Dividends	25	-	(3,000)	-	(3,000)	(701)	(3,701)
Balance at 30 June 2019		6,000	123,911	(6)	129,905	6,686	136,591
Comprehensive income							
Profit for the year		-	11,037	-	11,037	1,356	12,393
Other comprehensive income		-	-	(6)	(6)	-	(6)
Total comprehensive income		6,000	134,948	(12)	140,936	8,042	148,978
Transactions with owners							
Dividends	25	-	(3,000)	-	(3,000)	(701)	(3,701)
Balance at 30 June 2020		6,000	131,948	(12)	137,936	7,341	145,277

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

FMF FOODS LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Receipts from customers		218,331	176,933
Payments to suppliers and employees		(209,022)	(174,388)
Cash generated from operations		9,309	2,545
Income taxes paid		(1,306)	(649)
Interest paid		(1,666)	(847)
Net cash generated from operating activities		6,337	1,049
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		93	81
Acquisition of property, plant and equipment		(10,701)	(12,619)
Interest received		368	207
Acquisition of other investments		(940)	(1,380)
Net cash used in investing activities		(11,180)	(13,711)
Cash flows from financing activities			
Proceeds from borrowings		6,749	-
Repayment of borrowings		(2,000)	(3,220)
Repayment of principal lease liabilities		(219)	-
Dividends paid		(3,701)	(3,701)
Net cash used in financing activities		829	(6,921)
Net decrease in cash and cash equivalents		(4,014)	(19,583)
Cash and cash equivalents at the beginning of the year		(16,897)	2,686
Cash and cash equivalents at the end of the year	12	(20,911)	(16,897)

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

1 GENERAL INFORMATION

FMF Foods Limited ('the Company') and its subsidiaries (together forming 'the Group') engage in the milling of wheat, whole dunfield peas, manufacturing of packaging materials including corrugated cartons, assorted containers and bags, manufacturing of biscuits and snacks food products, sale of rice, wheat and related products and investments. The Company is a limited liability company incorporated and domiciled in the Republic of Fiji. The Company and two of its subsidiaries, The Rice Company of Fiji Limited and Atlantic & Pacific Packaging Company Limited are listed on the South Pacific Stock Exchange.

These financial statements were authorised for issue by the Board of Directors on 25th September 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Group are stated to assist in a general understanding of these financial statements. These policies have been consistently applied by the Group except where otherwise indicated.

2.1 Basis of preparation

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

(a) New standard adopted by the Group

The Group applied IFRS 16 'Leases' for the first time with effect from 1 July 2019. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

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

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 statement of financial position.

The implementation of IFRS 16 'Leases' has required the Group to change its accounting policy as set out below with effect from 1 July 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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

Upon adoption of IFRS 16, the Group 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 Group 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 Group 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.

From 1 July 2019, all leases are now accounting for in accordance with the policy set out in Note 2.19. The Group has elected to apply the new rules retrospectively with the cumulative effect of initially applying the standard recognised as at 1 July 2019. Comparatives for the year ended 30 June 2019 have not been restated.

The additional lease liability recognised as at 1 July 2019 was $8,527,000 as set out below. The associated right-of-use assets have been recognised at an equivalent amount, and accordingly there was no adjustment required to retained earnings at 1 July 2019.

Reconciliation for the differences between operating lease commitments disclosed as at 30 June 2019 and lease liabilities recognised at date of initial application at 1 July 2019 was as follows:

Operating lease commitments at 30 June 2019 as disclosed	
Group’s 2019 financial statements	13,975
Other operating lease commitments not previously recognised	8,527
Other operating lease commitments previously recognised and reversed	-
Total operating lease commitments	22,502
Discounted at the incremental borrowing rate:	3,023
Add (Less):	
- Recognition exemption for short-term	-
- Extension and termination options reasonably certain to be exercised	-
Lease liabilities recognised as at 1 July 2019	3,023

There were no leased assets previously classified as finance leases under IAS 17 and included within property, plant and equipment.

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

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

As at 1 July 2019 and 30 June 2020:
- Right-of-use assets’ were recognised and presented separately in the statement of financial position.
- Lease liabilities’ were recognised and presented separately in the statement of financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(b) New standards issued but not effective for the financial year beginning 1 July 2020 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 Group.

2.2 Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment reporting

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

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those segments operating in other economic environments. The Group operates predominantly within one geographical segment, that is, Fiji. For reporting purposes, the Group considers itself to be operating in three business segments as follows:

(a) food products - manufacture and/or sale of a wide variety of famous products to its local as well as export market such as biscuits, snacks, peas, flour, etc.;

(b) packaging materials - production of corrugated cartons as well as plastic pails/buckets and nylon bags; and

(c) properties - leases out properties based on intercompany arrangements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Fijian Dollars, which is the Company's functional currency and has been rounded tonearest thousands.

(b) Transactions and balances
Foreign currency transactions are translated into the Fijian currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The assets and liabilities of foreign subsidiaries are translated to Fijian dollars using the exchange rate at the year end. The income and expenses are translated to Fijian dollars at average exchange rates. Foreign currency differences are recognised directly in equity in the foreign currency translation reserve. For the current year, the amount is not significant.

2.5 Financial assets

(i) Classification

The Group 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.

Management determines the classification of its financial assets at initial recognition. The classification depends on the Group's business model for managing the financial statements and the contractual terms of the cash flows. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group's financial assets measured at cost consist of cash and cash equivalents, trade receivables, other receivables and other investments.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group 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 Group 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. Finance income, gains/(losses) arising from derecognition, foreign exchange gains/(losses) and impairment losses are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Financial assets (Cont'd)

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses (ECLs) associated with its financial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures where there has not been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses that are possible within the next 12 months (a 12-month ECL). For credit exposures where there has been a significant increase in credit risk since initial recognition, a provision for impairment is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). A financial asset is written off when there is a no reasonable expectation of recovering the contractual cash flows.

Provision for impairment for trade receivables are recognised based on the simplified approach permitted by IFRS 9 which requires lifetime ECL to be recognised from the initial recognition of the receivables. The Group establishes a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment. Refer to Note 4(b) for the application of impairment methodology.

Provision for impairment for amounts owing by related parties are assessed individually.

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

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’. The Group considers this to be Baa3 or higher per rating agency Moody’s or BBB- or higher per rating agency Standards & Poor’s.

Provision for impairment on financial assets carried at amortised cost are presented as net impairment provision within operating profit. For presentation in the statement of financial position, the related provision allowance are deducted from the gross carrying amount of the financial asset.

(iv) 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. For individual customers, the Group makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and bank overdraft. In the statement of financial position, bank overdraft is shown in current liabilities.

2.7 Trade receivables

Trade receivables are recognised initially at fair value of the underlying transaction and subsequently measured at amortised cost using the effective interest method less any provision of impairment. Refer to Note 2.5 for accounting policy in relation to impairment.

2.8 Inventories

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

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

2.9 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Buildings	-	2% - 10%
Plant and machinery	-	4% - 33%
Motor vehicles	-	25%
Furniture, fittings & office machines	-	6.7% - 25%
Computers	-	33%

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Impairment of non-financial assets

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

2.11 Financial liabilities

(i) Classification and subsequent measurement

In both current and prior periods, financial liabilities are classified as subsequently measured at amortised costs, except for:

- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and
- Financial guarantee contacts and loan commitments.

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expired). The Group also derecognises as 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 de-recognition 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.

2.12 Trade payables

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

2.13 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

General and specific 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Offsetting financial instruments

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

2.15 Current and deferred income tax

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

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

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

2.16 Provisions

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

2.17 Share capital

Ordinary shares are classified as equity.

2.18 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product or service to a customer. Revenue is presented net of value-added tax and discounts.

The Group's revenues consist mainly of sale of a variety of food products and packaging materials. There are three type of accounts:

(a) Cash on delivery - Customers are mostly counter customers who come to buy the goods from the Group's premises by themselves and are not bonded by any contract apart from the requirement to pay before taking possession of the goods and to take those goods on the same day before close of business.

(b) Advance paying customers - similar treatment to cash on delivery customers.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.18 Revenue recognition (Cont'd)

(c) Credit customers - Customers purchase goods on credit account and shall pay in full at the approved credit period which is normally 30 to 60 days. The maximum credit limit is mutually agreed between the Group and the customer at the time of application for credit account, however the Group reserves the right to vary the credit limit at its discretion.

For local sales, revenue is recognised when invoicing takes place as it is assumed that the deliveries are received by the customer on the same invoice date. For export sales, revenue is recognised in accordance with freight terms with the customer.

All revenue transactions are recognised at a point in time.

2.19 Leases and right-of-use assets

Accounting policies applied from 1 July 2019

As a lessee

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Company does not have leases which contain the following:
- amounts expected to be payable by the lessee under residual value guarantees

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate.

Accounting policies applied from 1 July 2019

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.19 Leases and right-of-use assets (Cont'd)

Payments associated with short term leases of 12 months or less and leases of low value assets (less than USD 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.

Cash payments for the principal portion of the lease liabilities are presented as cash flows from financing activities. Cash payments for the interest portion are presented as cash flows. from operating activities, consistent with presentation of other interest payments. Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented as cash flows from operating activities.

Extension options

Extension options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension options held are exercisable only by the Company and not by the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. The Group leases premises for its production locations and therefore expects to exercise extension options for all leases that contain such options.

The Group presents right-of-use assets and lease liabilities as separate line items in the statement of financial position.

Critical judgements in determining rates for discounting future lease payments

The Group has entered into commercial property leases for its manufacturing operations. Management applied judgment in selecting an appropriate rate to discount the remaining future lease payments when determining lease liabilities under IFRS 16.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at balance date. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.19 Leases and right-of-use assets (Cont'd)

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

Accounting policies applied before 1 July 2019

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

Leases of property, plant and equipment where the Group have substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments. The corresponding rent obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding.

The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

2.20 Employee benefits

Liabilities for employees' entitlements to wages and salaries, annual leave and other current employee entitlements (that are expected to be paid within twelve months) are accrued at undiscounted amounts, calculated at amounts expected to be paid as at balance date.

2.21 Dividend distribution

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

2.22 Earnings per share

Basic earnings per share

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

Diluted earnings per share

Diluted EPS is the same as the basic EPS as there are no potential ordinary shares which are considered dilutive.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Comparative figures

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Except for provision for impairment of financial assets carried at amortised cost (Note 2.5), depreciation/amortisation of property, plant and equipment (Note 2.9) inventory valuation (Note 2.8), and right-of-use assets and lease liabilities (Note 2.19), the Group does not have any significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

4 FINANCIAL RISK MANAGEMENT

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

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

(a) Market risk

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

Management has set up a policy to require the the Group to manage its foreign exchange risk against its functional currency, in this case the Fijian dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the Fijian Dollar. For significant settlements, the Group is required to seek quotations from recognised banks and use the most favourable exchange rate for purposes of the settlement. A foreign currency account is also maintained which is used for settlement of foreign currency payments to overseas suppliers.

To determine the Group's sensitivity to foreign exchange risk, the Group calculates an implied volatility in exchange rates by calculating the maximum variation of daily spot rates from the average exchange rate for the year.

As at year end, assets and liabilities denominated in foreign currencies are not significant and hence changes in foreign currency exchange rate is expected to have minimal impact on the net profit and equity balances currently reflected in the financial statements.

4 FINANCIAL RISK MANAGEMENT (Cont'd)

(a) Market risk (Cont'd)

Interest rate risk

The Group's interest rate risk arises from borrowings and bank overdrafts. Borrowings and bank overdraft issued at variable rates expose the Group to cash flow interest rate risk. There are no borrowings issued at fixed rates. All borrowings are in local currency. The Group regularly negotiates its interest rate with the Banks so that the lowest possible rate is available.

As at 30 June 2020, if interest rates on borrowings and bank overdrafts had been 1,000 basis points higher/lower with all other variables held constant, post-tax profit and equity for the year would have been $222k (2019: $212k) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings and bank overdraft.

(b) Credit risk

Credit risk is managed by management with board oversight. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

As part of its risk control procedures, an assessment of the credit quality of a new customer, taking into account its financial position, past experience and other factors is carried out. Individual credit risk limits are then set based on the assessments done. The utilisation of credit limits is regularly monitored. Sales to credit retail customers are settled in either cash or bank cheques.

For banks and financial institutions, independent credit ratings exist for the Group to assess the credit quality of the counterparties and monitor any credit deterioration.

The maximum exposure to credit risk at the reporting date is the carrying value (which is also the fair value) as noted above. The Group does not hold any collateral as security.

The credit quality of cash and cash equivalents and other investments is as follows:

	2020 $'000	2019 $'000
Cash		
Bank A	22,025	27,436

Bank A - The Group has cash with the Fiji branch as well as the Australian branch and Papua New Guinea branch of an international bank which has a Moody's credit rating of Aa3 (2019: Aa3).

	2020 $'000	2019 $'000
Other investments		
Bank B	11,551	9,890
Bank C	-	1,220
Bank D	531	-
	12,082	11,110

4 FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit risk (Cont'd)

Bank B - The Group has other investments with the Fiji branch of an international bank which has a Moody’s credit rating of Baa3 (2019: Baa3).

Bank C - The Group had other investments with Papua New Guinea branch of an international bank which had a Standard and Poor's credit rating of B+.

Bank D - The Group has other investments with the Fiji branch of an international bank which has a Fitch credit rating of A+.

The Group applies the IFRS 9 simplified approach to measure expected credit losses for trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared risk characteristics and the days overdue. The Group uses the ‘roll rate’ model based on the probability of trade receivables following the movement of cash outstanding from payment status of current through all delinquency buckets until write-off. Loss rates are based on historical credit losses experienced over the past two years. These rates are then adjusted to reflect current and forward looking information based on macroeconomic factors (i.e. GDP growth rates and inflation rates) and the Group’s internal evaluation of trade receivables over their expected lives.

The following table provides analysis about the exposure to credit risk and expected credit losses for trade receivables collectively assessed:

	2020		
	Expected weighted average loss rate	Gross carrying amount $'000	Provision for impairment $'000
Current	2.45%	15,788	387
31 to 60 days overdue	4.04%	3,512	142
61 to 90 days overdue	6.06%	1,146	70
91 to 120 days overdue	30.98%	262	81
Over 120 days overdue	73.62%	428	315
Debtors individually assessed	42.20%	3,459	1,460
		24,595	2,455

	2019		
	Expected weighted average loss rate	Gross carrying amount $'000	Provision for impairment $'000
Current	1.69%	19,658	332
31 to 60 days overdue	3.48%	4,172	145
61 to 90 days overdue	10.86%	3,242	352
91 to 120 days overdue	42.21%	199	84
Over 120 days overdue	63.99%	1,891	1,210
		29,162	2,123

4 FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit risk (Cont'd)

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

	2020 $'000	2019 $'000
At 1 July	2,123	2482
Provision created/ (reversed) during the year	476	(89)
Bad debts written-off	(144)	(270)
At 30 June	2,455	2,123

Impairments on cash and cash equivalents and other investments have been measured on the 12-month ECL basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents and other investments have low credit risk based on the external credit ratings of the counterparties.

Impairments on other receivables are assessed on an individual counterparty basis. Any provision for impairment is deemed immaterial due to their short term maturities and historical lack of default.

(c) Liquidity risk

Prudent liquidity risk management implies managing cash generated by its operations combined with bank borrowings. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and borrowings. Management monitors rolling forecasts of the Group’s liquidity reserve comprising cash and cash equivalents on the basis of expected cash flows.

The Group's financial liabilities are analysed below into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date, including contractual undiscounted cash flows (consisting of outstanding principal balance plus future interest payments, if any).

	Contractual Undiscounted Cash Flows					
	Up to 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 years $'000	Total $'000	Carrying amount $'000
As at 30 June 2020						
Bank overdraft	42,936	-	-	-	42,936	42,936
Borrowings	2,533	2,443	6,801	2,836	14,613	12,749
Trade and	13,655	-	-	-	13,655	13,655
Owing to related	293	-	-	-	293	293
Lease liabilities	412	266	544	7,665	8,887	2,808
Total	59,829	2,709	7,345	10,501	80,384	72,441

4 FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Liquidity risk (Cont'd)

	Contractual Undiscounted Cash Flows					
	Up to 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 years $'000	Total $'000	Carrying amount $'000
As at 30 June 2019						
Bank overdraft	44,333	-	-	-	44,333	44,333
Borrowings	3,199	3,075	1,758	-	8,032	8,000
Trade and	12,094	-	-	-	12,094	12,094
Owing to related	223	-	-	-	223	223
Total	59,849	3,075	1,758	-	64,682	64,650

Letters of credit and guarantees are disclosed in the Note 27.

5 CAPITAL RISK MANAGEMENT

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group has a number of financial covenants to comply with as part of the terms of its borrowings. These financial covenants are managed as part of the Group's capital management. The Group has complied with all its externally imposed capital requirements.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt. The Group's strategy was to maintain a gearing ratio of up to 30%.

The gearing ratio for the Group was as follows:

	2020 $'000	2019 $'000
Total borrowings (Note 22)	12,749	8,000
Cash and cash equivalents (Note 12)	20,911	16,897
Net debt	33,660	24,897
Equity	145,277	136,591
Total capital	178,937	161,488
Gearing ratio	19%	15%

6 REVENUE

	2020 $'000	2019 $'000
By category		
Sales of goods	204,885	190,195

7 OTHER OPERATING INCOME

	2020 $'000	2019 $'000
Gain on disposal of property, plant and equipment	93	81
Exchange gains	688	1,271
Other income	-	115
	781	1,467

8 NET FINANCE INCOME AND COST

	2020 $'000	2019 $'000
Finance income		
Interest income on term deposits	253	207
Interest income on Customer Overdue Accounts	150	-
	403	207
Finance costs		
Interest expense on lease liabilities	(123)	-
Interest expense on overdraft and borrowings	(1,543)	(847)
	(1,666)	(847)
Net finance cost	(1,263)	(640)

9 PROFIT BEFORE TAX

	2020 $'000	2019 $'000
Included in profit before tax are the following items of revenues and expenses:		
Expenses		
Auditors' remuneration		
- PricewaterhouseCoopers (Principal auditors)	113	102
- Other auditors	32	30
Directors' emoluments		
- Directors' fees	40	39

10 INCOME TAX EXPENSE

	2020 $'000	2019 $'000
Current tax:		
Current tax on profits for the year	1,452	1,415
Adjustments in respect of prior year	(366)	(1)
Total current tax	1,086	1,414
Deferred tax:		
Origination and reversal of temporary differences	436	268
Adjustments in respect of prior year	544	(24)
Total deferred tax	980	244
Income tax expense	2,066	1,658

10 INCOME TAX EXPENSE (Cont'd)

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

	2020 $'000	2019 $'000
Profit before tax	14,459	8,484
Prima facie income tax expense at 10%/ 20%	1,746	1,190
Tax effects of:		
- Non-deductible and items not subject to tax (net)	(54)	46
Tax losses not recognised	723	451
Prior year adjustments	(349)	(29)
Income tax expense	2,066	1,658
Temporary differences	(980)	(245)
	1,086	1,413
Add: Opening current tax liabilities	(1,430)	(2,194)
Less: Taxes (paid) / refunded	(1,306)	(649)
Current income tax assets	(1,650)	(1,430)

Unused tax losses for which no deferred income tax asset has been recognised amounted to $2.1m as at 30 June 2020 (2019: $2.0m), which were incurred by a subsidiary that is not likely to generate taxable income in the foreseeable future.

11 DEFERRED INCOME TAXES

(a) Deferred income tax assets

	Tax losses $'000	Other $'000	Total $'000
At 30 June 2018	372	386	758
Charged/ (credited) to profit or loss statement	55	(16)	39
At 30 June 2019	427	370	797
(Credited)/ charged to profit or loss statement	(274)	120	(154)
At 30 June 2020	153	490	643

(b) Deferred income tax liabilities

	Property, plant & equipment $'000	Other $'000	Total $'000
At 30 June 2018	4,100	922	5,022
Charged to profit or loss statement	211	35	246
At 30 June 2019	4,311	957	5,268
Charged to profit or loss statement	575	246	821
At 30 June 2020	4,886	1,203	6,089

12 CASH AND CASH EQUIVALENTS

(a) Cash at the end of the year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

	2020 $'000	2019 $'000
Cash on hand and at bank	22,025	27,436
Bank overdraft	(42,936)	(44,333)
Cash and cash equivalents	(20,911)	(16,897)

(b) Financing facilities

Bank overdraft facility from ANZ totalling $30m (2019: $20m) is available to the Group and interchangeable amongst the Group companies. One of the subsidiaries also had a bank overdraft facility from Bank of Baroda totalling Nil (2019: $6.75m). Refer to Note 21 for securities provided.

13 INVENTORIES

	2020 $'000	2019 $'000
Finished products	8,936	8,193
Raw and packaging materials	49,147	24,713
Spares	4,123	3,583
Work in progress	140	296
Provision for inventory obsolesence	(1,008)	(771)
	61,338	36,014
Goods in transit	4,602	2,799
	65,940	38,813

14 TRADE RECEIVABLES

	2020 $'000	2019 $'000
Gross carrying amount	24,595	29,162
Less: Provision for impairment	(2,455)	(2,123)
Trade receivables - net	22,140	27,039

15 PREPAYMENTS AND OTHER RECEIVABLES

	2020 $'000	2019 $'000
Deposits	427	427
Prepayments	2,740	3,827
VAT receivable	2,067	6,858
Prepayments and other receivables	5,234	11,112

16 OTHER INVESTMENTS

	2020 $'000	2019 $'000
Current		
Term deposit	12,082	8,591

16 OTHER INVESTMENTS (Cont'd)

	2020 $'000	2019 $'000
Non-current		
Term deposit	-	2,519

17 INVESTMENTS IN SUBSIDIARIES

(a) The Group's principal subsidiaries at year end are set out below. They have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

	Country of incorporation	% Interest 2020	% Interest 2019	Principal activities
Pea Industries Pte Limited	Fiji	100	100	Pea milling
Biscuit Company of (Fiji) Pte Limited	Fiji	100	100	Biscuit manufacture
DHF Pte Limited	Fiji	100	100	Wheat and bakery ingredients sale
FMF Investment Company Pte Limited	Fiji	100	100	Property management
FMF Snax Pte Limited	Fiji	100	100	Snacks manufacture
Bakery Company (Fiji) Pte Limited	Fiji	100	100	Biscuit manufacture
The Rice Company of Fiji Limited	Fiji	75	75	Rice sale
Atlantic & Pacific Packaging Company Limited	Fiji	60	60	Packaging materials manufacture
FMF Foods PNG Limited	PNG	100	100	Trading
FMF Foods New Zealand Limited	NZ	100	100	Trading
London Pet Food Company Pte Limited	Fiji	100	100	Pet food manufacture

(b) The financial statements of the subsidiaries, The Rice Company of Fiji Limited, FMF Snax Pte Limited and FMF Investment Company Pte Limited are audited by BDO Chartered Accountants.

(c) Material non-controlling interests

The two material subsidiaries with non-controlling interests are The Rice Company of Fiji Limited (RCF) and Atlantic & Pacific Packaging Company Limited (ATPACK) with 25% and 40% ordinary shares held by non-controlling interests respectively.

The total non-controlling interest at year end was $7.34m (2019: $6.68m), of which $3.66m (2019: $3.64m) was for RCF and $3.68m (2019: $3.04m) was attributed to ATPACK.

The profit allocated to non-controlling interest for the year was $1.36m (2019: $1.53m), of which $0.54m (2019: $0.72m) was for RCF and $0.81m (2019: $0.81m) was attributed to ATPACK.

The dividends paid to non-controlling interest during the year was $0.71m (2019: $0.71m), of which $0.53m (2019: $0.53m) was paid by RCF and $0.18m (2019:$0.18m) was paid by ATPACK.

17 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarised statements of financial position

	RCF		ATPACK	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
Current				
Assets	17,867	16,457	6,134	4,284
Liabilities	3,266	1,923	1,966	1,051
Current net assets	14,601	14,534	4,168	3,233
Non-current				
Assets	41	43	6,601	4,608
Liabilities	-	-	1,569	238
Non-current net assets	41	43	5,032	4,370
Net assets	14,642	14,577	9,200	7,603

Summarised statements of profit or loss and other comprehensive income

	RCF		ATPACK	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
Revenue	28,440	30,299	13,955	14,996
Profit before income tax	2,403	3,212	2,252	2,249
Income tax expense	(238)	(323)	(215)	(222)
Net profit	2,165	2,889	2,037	2,027
Other comprehensive income	-	-	-	-
Total comprehensive income	2,165	2,889	2,037	2,027

Summarised cash flows

	RCF		ATPACK	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
Cash flows from operating activities	3,849	1,288	4,288	1,952
Cash flows from investing activities	-	248	(877)	(300)
Cash flows from financing activities	(2,100)	(2,100)	(884)	(440)
Net increase / (decrease) in cash and cash equivalents	1,749	(564)	2,527	1,212

18 PROPERTY, PLANT AND EQUIPMENT

	Buildings $'000	Freehold land & building $'000	Motor vehicles $'000	Plant, furniture & equipment $'000	Work - in progress $'000	Total $'000
At 30 June 2018						
Cost	54,761	862	5,738	114,766	1,088	177,215
Accumulated depreciation	(9,492)	(314)	(4,454)	(78,582)	-	(92,842)
Net book amount	45,269	548	1,284	36,184	1,088	84,373
For the year ended 30 June 2019						
Opening net book amount	45,269	548	1,284	36,184	1,088	84,373
Additions	553	-	458	7,587	4,021	12,619
Disposals	(68)	-	(36)	-	-	(104)
Transfers	-	-	-	388	(388)	-
Depreciation charge	(1,138)	(21)	(536)	(6,421)	-	(8,116)
Closing net book amount	44,616	527	1,170	37,738	4,721	88,772
At 30 June 2019						
Cost	55,246	862	6,059	122,741	4,721	189,629
Accumulated depreciation	(10,630)	(335)	(4,889)	(85,003)	-	(100,857)
Net book amount	44,616	527	1,170	37,738	4,721	88,772
For the year ended 30 June 2020						
Opening net book amount	44,616	527	1,170	37,738	4,721	88,772
Additions	188	-	518	3,993	6,002	10,701
Disposals	-	-	-	-	-	-
Transfers to right-of-use assets	(13,793)	-	-	-	-	(13,793)
Transfers	-	-	-	3	(3)	-
Depreciation charge	(990)	(22)	(570)	(6,416)	-	(7,998)
Closing net book amount	30,021	505	1,118	35,318	10,720	77,682
At 30 June 2020						
Cost	41,641	862	6,577	126,737	10,720	186,537
Accumulated depreciation	(11,620)	(357)	(5,459)	(91,419)	-	(108,855)
Net book amount	30,021	505	1,118	35,318	10,720	77,682

19 INTANGIBLE ASSETS

	2020 $'000	2019 $'000
F1 Audio Visual production	1,458	1,458
Provision for impairment	(1,458)	(1,458)
	-	-

20 TRADE AND OTHER PAYABLES

	2020 $'000	2019 $'000
Trade payables	9,383	7,688
Other payables and accruals	2,308	3,087
Staff leave accruals	1,964	1,319
	13,655	12,094

21 BANK OVERDRAFT AND BORROWING SECURITIES

The secured borrowings and bank overdrafts of the Group are secured by a first registered mortgage debenture over all the assets of the Group including uncalled capital and unpaid premiums, cross guarantees by the subsidiaries, and a negative pledge by a subsidiary, Atlantic & Pacific Packaging Company Limited, not to lend or grant security to another party.

A separate overdraft facility is secured by the various other investments (Note 16).

22 BORROWINGS

	2019 $'000	2019 $'000
Current		
Secured borrowings	2,000	1,000
Non-Current		
Secured borrowings	10,749	7,000
	12,749	8,000

The carrying amounts of borrowings approximate their fair values.

The security details on borrowings are disclosed in Note 21.

23 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has leased various land under the crown lease agreements ranging from 60 to 99 years from the Government of Republic of Fiji.

Information about leases for which the Group is a lessee is presented below.

23 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

(a) The statement of financial position shows the following amounts relating to right-of-use assets:

	Land $'000	Building $'000	Equipment $'000	Total $'000
Balance as at 1 July 2019	1,912	1,027	44	2,983
Transfer from property, plant & equipment	13,793	-	-	13,793
Additions	-	141	-	141
Disposal	-	(26)	-	(26)
Depreciation charge for the year	(192)	(301)	(32)	(525)
Balance as at 30 June 2020	15,513	841	12	16,366

(b) Lease liabilities included in the statement of financial position as at 30 June 2020 consist of:

	2020 $'000
Current	303
Non-current	2,465
Total lease liabilities at 30 June 2020	2,768

(c) The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2020 $'000
Depreciation charge of right-of-use assets	525
Interest expense (included in finance cost)	123
Expense relating to low value and short-term leases (included in other operating expenses)	-

(d) Cash outflow for leases:

	2020 $'000
Repayment of principal lease liabilities	219
Interest expense	123
	342
Rental expense – short-term leases and leases of low-value assets	-
Total	342

24 SHARE CAPITAL

	2020 $'000	2019 $'000
Issued and fully paid:		
150,000,000 ordinary shares	6,000	6,000

The company's capital comprises ordinary shares only and these carry the same rights, preferences and restrictions.

25 DIVIDENDS

	2020 $'000	2019 $'000
Dividends declared (Dividend per share 2020: $0.02/ 2019: $0.02)	3,701	3,701

26 EARNINGS PER SHARE

	2020 $'000	2019 $'000
Profit after tax attributable to the owners of the Company	11,037	5,293
Number of ordinary shares issued ('000)	150,000	150,000
Basic and diluted earnings per share (cents)	7.36	3.53

27 CONTINGENCIES AND COMMITMENTS

	2020 $'000	2019 $'000
a. Letters of credit	3,378	2,744
b. Guarantees and bonds	703	321
c. Capital commitments		
Capital commitments - contracted	3,000	4,025

28 RELATED PARTIES

(a) Directors

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

- Hari Punja Order of Fiji, OBE – Chairman
- Rohit Punja - Executive Director
- Ram Bajekal - Managing Director
- Ajai Punja
- Gary Callaghan
- Pramesh Sharma
- Leena Punja (Alternate Director to Hari Punja)

(b) Immediate and ultimate holding company

The immediate and penultimate holding company is Hari Punja and Sons Pte Limited (HPS). The ultimate holding company is Hari Punja Nominees Pte Limited.

(c) Amounts owing by related companies

	2020 $'000	2019 $'000
Fellow subsidiaries	5	-
	5	-

The receivables from related parties arise mainly from sale transactions and are due within two months of sale. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties (2019: $Nil).

28 RELATED PARTIES (Cont'd)

(d) **Amounts owing to related companies**

	2020 $'000	2019 $'000
Fellow subsidiaries	293	223
	293	223

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

(e) **Related party transactions**

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

	2020 $'000	2019 $'000
Income		
Sales	4	4
Administration fees	-	-
Expenses		
Management fee	892	782
Administrative expenses	21	26
Purchase of consumables	3,660	3,920
Dividends		
Dividend paid	2,170	2,170

The management fees are paid to HPS by the Holding Company and its subsidiaries in accordance with a management agreement the entities have with HPS. Sales, administration fees and purchase of consumables transactions are with the fellow subsidiaries of the Holding Company and its subsidiaries.

Dividends are paid to HPS by the Holding Company and its subsidiaries, namely Atlantic & Pacific Packaging Company Limited and the Rice Company of Fiji Limited.

During the year, interest-bearing advances were made within the Group.

(e) **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 executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Company were the Managing Director, the Group Chief Financial Officer (CFO) and the Group General Manager.

28 RELATED PARTIES (Cont'd)

The amount of compensation of the key management personnel borne by and included in the Group is as follows:

	2020 $'000	2019 $'000
Salaries and other short term benefits	635	635

29 IMPACT OF COVID-19 PANDEMIC

The outbreak of the COVID-19 pandemic has resulted in heightened uncertainty globally across industry segments. There has been significant adverse financial and social impact in Fiji and globally caused by this pandemic. The changes in consumer behavior, buying patterns and working environment arising due to COVID-19 pandemic may pose some challenges for the businesses. The Group has considered the possible effects that may result from this pandemic on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has considered internal and external sources of information. Based on current estimates, the Group does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of laying of these financial statements before the shareholders and the Group will continue to closely monitor any material changes to future economic conditions.

30 EVENTS SUBSEQUENT TO BALANCE DATE

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

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

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

31 REGISTERED OFFICE AND SHARE REGISTER

Registered Office
2 Leonidas Street
Walu Bay
Suva
Republic of Fiji

Share Register
Central Share Registry Pte Limited
South Pacific Stock Exchange
Shop 1 and 11
Sabrina Building
Victoria Parade, Suva.
Republic of Fiji

32 SEGMENT INFORMATION

(a) **Secondary reporting – geographical segments**

The Group operates in the geographical segments of Fiji and Papua New Guinea. The subsidiary in New Zealand was not operational during the year.

32 SEGMENT INFORMATION - continued

(b) Primary reporting - business segments 2020

	Food products $'000	Packaging materials $'000	Properties $'000	Inter-segment elimination $'000	Total $'000
External sales	199,424	5,461	-	-	204,885
Intersegment sales	28,830	8,494		(37,324)	-
Sales	228,254	13,955	-	(37,324)	204,885
Other operating income	8,353	161	3,507	(11,240)	781
	236,607	14,116	3,507	(48,564)	205,666
Segment result before income tax and finance costs	14,404	2,331	2,484	(3,497)	15,722
Net finance costs	(1,578)	(79)	(370)	764	(1,263)
Profit/ (loss) before tax	12,826	2,252	2,114	(2,733)	14,459
Income tax expense	(1,418)	(215)	(433)	-	(2,066)
Profit/ (loss) after tax	11,408	2,037	1,681	(2,733)	12,393
Segment assets	213,950	12,914	34,164	(37,904)	223,124
Deferred income tax assets	607	36	-	-	643
Total assets	214,557	12,950	34,164	(37,904)	223,767
Segment liabilities	31,665	3,505	2,015	(20,469)	16,716
Deferred income tax liabilities	3,659	245	2,185	-	6,089
Borrowings	6,917	-	5,832	-	12,749
Bank overdraft	40,210	-	2,726	-	42,936
Total liabilities	82,451	3,750	12,758	(20,469)	78,490
Acquisition of property, plant and equipment	7,501	931	2,269	-	10,701
Depreciation expense	10,546	1,173	574	(3,770)	8,523
Net cash flows from operating activities	1,872	4,288	2,161	(1,984)	6,337

32 SEGMENT INFORMATION - continued

(b) **Primary reporting - business segments 2019**

	Food products $'000	Packaging materials $'000	Properties $'000	Inter-segment elimination $'000	Total $'000
External sales	184,362	5,833	-	-	190,195
Inter-segment sales	23,678	9,163	-	(32,841)	-
Sales	208,040	14,996	-	(32,841)	190,195
Other operating income	10,647	154	3,015	(12,349)	1,467
	218,687	15,150	3,015	(45,190)	191,662
Segment result before income tax and finance costs	8,184	2,297	2,003	(3,360)	9,124
Net finance costs	(479)	(48)	(113)	-	(640)
Profit before income tax expense	7,705	2,249	1,890	(3,360)	8,484
Income tax expense	(1,058)	(222)	(378)	-	(1,658)
Net profit / (loss)	6,647	2,027	1,512	(3,360)	6,826
Segment assets	194,641	8,868	29,244	(26,957)	205,796
Deferred income tax assets	773	24	-	-	797
Total assets	195,414	8,892	29,244	(26,957)	206,593
Segment liabilities	20,775	657	85	(9,116)	12,401
Deferred income tax liabilities	3,011	238	2,019	-	5,268
Borrowings	8,000	-	-	-	8,000
Bank overdraft	36,524	394	7,415	-	44,333
Total liabilities	68,310	1,289	9,519	(9,116)	70,002
Acquisition of property, plant and equipment	8,310	407	3,902	-	12,619
Depreciation expense	6,752	819	545	-	8,116
Net cash flows from operating activities	(3,956)	1,952	2,043	1,010	1,049

FMF FOODS LIMITED
LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE
(UNAUDITED AND NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

(a) Schedule of each class of equity security in compliance with listing requirements under 51.2 (v):

NAME	Number of Shares	%
HARI PUNJA & SONS PTE LIMITED	106,124,847	70.75
FIJI NATIONAL PROVIDENT FUND	6,675,619	4.45
BSP LIFE (FIJI) LIMITED	5,669,597	3.78
UNIT TRUST OF FIJI (TRUSTEE COMPANY) LTD	5,187,006	3.46
FHL TRUSTEES LTD ATF FIJIAN HOLDINGS UNIT TRUST	2,976,355	1.98
GARY CALLAGHAN	1,700,225	1.13
CARLISLE (FIJI) LIMITED	1,487,240	0.99
FIJIAN HOLDINGS LTD	1,298,200	0.87
JITENDRA KUMAR M NARSEY	1,090,450	0.73
HARIGANGA RATANJI	707,775	0.47
VENILAL MAGANLAL NARSEY	675,950	0.45
BECHARBHAI HOLDINGS LTD	499,950	0.33
JITENDRA THAKORLAL NARSEY	388,437	0.26
KANTI LAL PUNJA	375,000	0.25
HARI KRISHNA NARSEY	369,937	0.25
INDRAVADAN NARSEY	369,937	0.25
BIPIN CHANDRA	318,700	0.21
LAKSHMIKANT DHARAMSI SAMPAT	300,000	0.20
SHANTILAL PATEL	279,900	0.19
SURESH CHANDRA	274,950	0.18
VIJAY KUMAR	274,950	0.18
VIJAYKUMAR PATEL	274,950	0.18

(b) Schedule of each class of equity security in compliance with listing requirements under 51.2 (vi):

Distribution of ordinary shareholders:

No. of Shareholders	Shareholding	Total % Holding
25	1 - 500 shares	0.00
109	501 - 5,000 shares	0.24
67	5,001 - 10,000 shares	0.38
72	10,001 - 20,000 shares	0.77
40	20,001 - 30,000 shares	0.67
17	30,001 - 40,000 shares	0.43
22	40,001 - 50,000 shares	0.72
33	50,001 - 100,000 shares	1.82
44	100,001 - 1,000,000 shares	6.82
9	Over 1,000,000 shares	88.14
438	**Total**	**100.00**

FMF FOODS LIMITED
LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE (Cont'd)
(UNAUDITED AND NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

(c) Composition of Board and Committee Members and Attendance during the year under 51.2 (vii/viii)

Name of Director	Number of Meetings Held	Number of Meetings Attended	Apologies Received
Mr. Hari Punja (Chairman)	4	2	2
Mr. Rohit Punja (Executive Director)	4	4	N/A
Mr. Ram Bajekal (Managing Director)	4	4	N/A
Mr. Ajai Punja (Non-Executive Director)	4	3	1
Mr. Gary Callaghan (Independent Director)	4	4	N/A
Mr. Pramesh Sharma (Independent Director)	4	4	N/A
Ms. Leena Punja (Alternate to Hari Punja)	4	1	N/A
Audit & Finance Sub-Committee			
Mr. Gary Callaghan (Chairman)	4	4	N/A
Mr. Rohit Punja	4	4	N/A
Mr. Ram Bajekal	4	4	N/A

(d) Disclosure under section 51.2 (x):

Subsidiaries information:

Names of the subsidiaries dealing in food products	1	Biscuit Company of (Fiji) Pte Limited
	2	Pea Industries Pte Limited
	3	DHF Pte Limited
	4	FMF Snax Pte Limited
	5	The Rice Company of Fiji Limited
	6	Bakery Company (Fiji) Pte Limited
	7	London Pet Food Company Pte Limited
	8	FMF Foods New Zealand Limited
	9	FMF Foods (PNG) Limited
Name of the subsidiary dealing in packaging materials	10	Atlantic & Pacific Packaging Company Limited
Name of the subsidiary having property investments	11	FMF Investment Company Pte Limited
Principal country of operation	1 - 7, 10 - 11	Republic of Fiji
	8	New Zealand
	9	Papua New Guinea
Country of incorporation	1 - 7, 10 - 11	Republic of Fiji
	8	New Zealand
	9	Papua New Guinea

FMF FOODS LIMITED
LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE (Cont'd)
(UNAUDITED AND NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

(d) Disclosure under section 51.2 (x) (Cont'd):

	Food products $'000	Packaging materials $'000	Properties $'000
Turnover	130,301	13,955	-
Other income	1,542	191	3,737
	131,843	14,146	3,737
Depreciation	(4,540)	(1,173)	(574)
Interest expense	(1,770)	(109)	(600)
Other expenses	(122,996)	(10,612)	(449)
Profit before tax	2,537	2,252	2,114
Income tax expense	(709)	(215)	(433)
Net profit after tax	1,828	2,037	1,681
Total assets	91,877	12,400	34,204
Total liabilities	39,269	3,200	12,798
Shareholders’ equity	52,608	9,200	21,406

(e) Disclosure under Section 51.2 (xiv):

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

	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000	2015 $'000
Net Profit after Tax	12,393	6,826	8,490	16,893	17,586	17,456
Current Assets	129,076	114,505	95,056	106,712	107,490	103,696
Non - Current Assets	94,691	92,088	85,131	84,077	70,907	56,669
Total Assets	223,767	206,593	180,187	190,789	178,397	160,365
Current Liabilities	59,187	57,734	33,156	45,898	52,378	43,400
Non -Current Liabilities	19,303	12,268	13,022	16,119	11,181	17,407
Total Liabilities	78,490	70,002	46,178	62,017	63,559	60,808
Shareholders' Equity	145,277	136,591	134,009	128,772	114,838	99,557

(f) Disclosure under Section 51.2 (xv) (a):

Dividend declared per share:

	2020	2019	2018	2017	2016	2015
Cents per share	2.00	2.00	1.73	1.40	1.20	1.20

FMF FOODS LIMITED
LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE (Cont'd)
(UNAUDITED AND NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

(g) Disclosure under Section 51.2 (xv) (b):

Group earnings per share:

	2020	2019	2018	2017	2016	2015
Cents per share	7.36	3.53	4.97	10.45	11.30	11.01

(h) Disclosure under Section 51.2 (xv) (c):

Group net tangible assets per share:

	2020	2019	2018	2017	2016	2015
Cents per share	96.85	91.06	89.34	85.85	76.56	66.37

(i) Disclosure under Section 51.2 (xv) (d):

Share price during the year	**2020 $**	**2019 $**
Highest	2.19	2.13
Lowest	1.90	1.35
On 30th June	2.11	2.13

PROXY FORM

[Pursuant to Section 157 and 158 of Companies Act 2015]

Name of the Member:____

Registered Address:____

SIN:____

I/We, being the member(s) of ____________________ shares of **FMF Foods Limited**, hereby appoint:

1. Name________________________________ , of __________________________

   or failing that;

2. Name_________________________________ ,of__________________________

as my/our proxy to attend and vote on a show of hands and poll on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, 13th November, 2020 at 11.00 a.m. at The Training Room, Atlantic & Pacific Packaging Company Limited, Leonidas Street, Walubay, Suva, Fiji and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No.	**Resolutions**	***Optional [Mark X]**		
	Ordinary Business	For	Against	Abstain
1.	Consideration of Financial Statements:			
2.	Confirmation of Interim Dividend:			
3.	Election of Directors			
4.	Appointment of Auditors			

Signed this ________________________ day of _____________________ 20___.

Signature of Member(s) ________________ _____________________

Notes:

1. *It is optional to put a ‘X’ in the appropriate column against the Resolutions indicated in the Box. If you leave the ‘For’/‘Against’/’Abstain’ column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority to conduct a poll.
3. If a representative of the corporation is to attend the meeting, the form for Appointment of Corporate Representative” should be filled in. If the Corporate Representative wishes to appoint a Proxy, this Form must be duly filled in.
4. This Proxy Form must be received by the Company at P.O.Box No.977, Leonidas Street, Walu Bay, Suva, Fiji or email to sandeepk@fmf.com.fj before **11.00 a.m, 11th November, 2020**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

APPOINTMENT OF CORPORATE REPRESENTATIVE

[Pursuant to Section 160 of Companies Act 2015]

This form may be used by a company or other body corporate which is a security holder or which has been appointed as a proxy by a security holder.

Insert the name of the body corporate making the appointment

Hereby appoints

Insert the name of the appointee. Please note that multiple representatives can be appointed but only one representative may exercise the body corporate's powers at any one time.

to act as its representative at ☐ all meetings **OR** ☐ the meeting to be held on

______________________ *(Date)*

Of

FMF FOODS LIMITED

SIGNATURES- THIS MUST BE COMPLETED

Common Seal (if applicable)	Director	Sole director & Sole Secretary
	Director/ Company Secretary	Date

Information

In order to be effective, the form must be received by Company at P.O.Box No.977, Leonidas Street, Walu Bay, Suva, Fiji or email to sandeepk@fmf.com.fj within the time limit (if any) specified in the relevant company's Articles of Association for receipt of Corporate Representative Appointments. The original of the form will be retained by the company.

A body corporate may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at meetings of a company's members, creditors or debenture holders. The appointment maybe by reference to a position held provided that the appointment identifies the position.

The appointment must be executed in accordance with the body corporate's Articles of Association and (if applicable) Section 53 of the Companies Act 2015. An appointment maybe a standing one, which will continue until revoked.

If more than one representative is appointed, only one representative may exercise the body corporate's power at any one time.

PRE-REGISTRATION FORM FOR ON-LINE ATTENDANCE

I/We named below, being a shareholder of the Company, wish to register my/our attendance for the Annual General Meeting through on-line meeting portal.

I/We understand that the Company shall be entitled to reject the Pre-registration Form which is incomplete, improperly completed, illegible or where true intentions of the shareholder of the Company are not ascertainable from the instructions specified in the Pre-registration Form.

Name(s) of Shareholder(s): ____

Name of attendee*: ____

Voter identification card number /Passport Number/Company Registration Number:

____

Shareholder Identification Number (SIN): ____________________________________

Email Address: ____

Contact Number(s): ____

Signature(s): ____

Date: ____

**Where authorized representative of a company or proxy holder for a shareholder or other eligible attendee.*

IMPORTANT:
Please note that the step-by-step guidance to join the meeting via on-line will be emailed to you before the time fixed for holding the Company's AGM.

1. Full name and voter identification card number/passport number(s)/company registration number is required for purposes of verification.

2. By completing and submitting this form, you agree and acknowledge that the Company and/or our service provider may collect, use and disclose your personal data, as contained in your submitted form for the purpose of processing and effecting your request.

3. Photographic, sound and/or video recordings of the Company's AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Company's AGM. Accordingly, the personal data of a shareholder of the Company (such as his name, his presence at the Company's AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

4. Shareholders should raise their hand to vote.

NOTE: In order to process and eligible to participate in the meeting on-line, this duly completed Pre-registration Form must be emailed to sandeepk@fmf.com.fj before 5pm of 9th November 2020).