ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

ANNUAL REPORT

2020

10 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 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
Atlantic & Pacific Packaging Company Limited
P.O.Box 977, Leonidas Street
Walu Bay
Suva

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

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

Best regards

Sandeep Kumar
Company Secretary

CONSENT FOR RECEIVING NOTICES AND ANNUAL REPORT IN ELECTRONIC MODE

To

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

Dear Sir,

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

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

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ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

BOARD OF DIRECTORS

Mr. Rohit Punja - *Chairman & Executive Director*

Mr. Ram Bajekal - *Managing Director*

Mr. Gary Callaghan – *Independent Director*

Mr. Pramesh Sharma – *Non-Executive Director*

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

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Sandeep Kumar

AUDITORS

PricewaterhouseCoopers,
Chartered Accountants,
Suva.

SOLICITORS

M/s Sherani & Co.

BANKERS

Australia and New Zealand Banking Group Limited

REGISTERED OFFICE

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

SHARE REGISTRAR AND SHARE TRANSFER AGENTS

Central Share Registry Limited
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 22nd Annual General Meeting (AGM) of Atlantic & Pacific Packaging Company Limited will be held on **Friday, November 13, 2020** at **10.30 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 annual financial statements of the company 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 5.50 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

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**

24th September 2020
Registered Office:
Leonidas Street,
Walu Bay, Suva, Fiji

Sandeep Kumar K
Chief Financial Officer and
Company Secretary

PROXIES

1. A member who is unable to attend the meeting is entitled to appoint a proxy to attend the meeting and vote on his behalf.
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.

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 5.50 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 Director

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.Pramesh Sharma would retire by rotation and is eligible to be re-elected.

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

A brief profile of Mr.Pramesh Sharma is as follows:

Mr.Pramesh Sharma:

Mr.Pramesh Sharma was appointed as a non-executive Director of the Company in October, 2015. 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 at a time when the COVID-19 pandemic has paralyzed the world, causing disruption with a magnitude never experienced before. Lives have been lost and economies destroyed world over. Fiji has been no exception, though prompt action taken by the Government in securing our borders and implementing robust testing, tracing and isolation measures have mitigated the impact here. As is to be expected in such situations, your Company has also suffered the impact of economic slowdown in the second half of the financial year ended 30th June 2020.

During the year under review, the Company achieved a revenue of $13.96 Mn. in comparison to $15.0 Mn in FY 2019. The drop in revenue was largely from lower carton sales to customers in the fisheries, agricultural and FMCG sectors. While the revenue saw a decline, the Company managed to maintain the Profit After Tax at $2.0 Mn. on the back of operational efficiencies. This is on par with the previous year,

The Company has maintained the same dividend as previous year at 5.50 cents per share, resulting in an outflow of $0.44 Mn.

Outlook

The outbreak of COVID-19 has resulted in a lesser demand for products, especially for cartons in the Fijian fishing industry and agricultural commodities export market. This sluggishiness is expected to continue for a while till the economy picks up. While uncertainities from the pandemic still loom and adversely impact the economy and consumption, the Company has been able to manage immediate challenges of re-establishing normalcy in business operations. The Company is in the process of taking required measures to assess the long term implications and strives to create opportunities to emerge from the challenging situation. The Company is expected to bring back the growth through innovation and cost efficiency programs.

On behalf of the Board of Directors, I would like to thank all our valued customers, employees, suppliers, other business associates and the various authorities for their continued support. I would also like to thank all our shareholders for your continued trust, confidence and support.

Sincerely,

Rohit Punja
Chairman

24th September 2020

Corporate Governance Report

Atlantic & Pacific Packaging Company Limited
For the Financial Year ended on 30th June, 2020

Principle	Requirement	Compliance Status
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 4 Directors out of which 1 Director is 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.
	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 oversees the Risk Management framework. At present, the Board discharges function of recruitment.
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 statement of financial position of Atlantic & Pacific Packaging Company Limited ("the Company") as at 30 June 2020, the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended on that date and report as follows:

1 Directors

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

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

2 Principal activities

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

3 Trading results

The net profit after income tax for the year was $2.04m (2019: $2.03m) after taking into account income tax expense of $0.22m (2019: $0.22m).

4 Provisions

There were no material movements in provisions.

5 Dividends

During the year, the Company declared an interim dividend of 5.50 cents per equity share (2019: 5.50 cents) entailing outflow of $0.44m (2019: $0.44m). No further dividend is recommended for the financial year ended 30 June 2020.

6 Going concern

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

DIRECTORS' REPORT (cont'd)

7 Bad and doubtful debts

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

8 Current assets

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

9 Impact of COVID-19 pandemic

The second half of the financial year 2019-20 has been marked by the COVID-19 outbreak. The pandemic has resulted in hightened uncertainity globally across industry segment. There has been significant adverse financial and social impact in Fiji and globally caused by this pandemic. Throughout the crisis, our primary focus has been to safeguard the health and safety of our employees and to maintain business continuity. Demand for the products remained lower than previous year, especially in the second half, with the outbreak of the pandemic, especially in fish and agricultural packaging products. We have taken necessary measures to carefully manage our financial situation, control cost and prioritise investments, whilst planning ahead for a gradual recovery and a renewed growth trajectory.

10 Events subsequent to balance date

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

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

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

11 Related party transactions

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

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.

DIRECTORS' REPORT (cont'd)

13 Unusual transactions

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

14 Directors' interests

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

	Beneficially		Non-Beneficially	
	Additions	Holding as at 30 June 2020	Additions	Holding as at 30 June 2020
Rohit Punja	-	-	-	5,058,268
Gary Callaghan	-	-	-	4,879,750
Ajai Punja (Alternate to Mr. Rohit Punja)	-	-	-	5,058,268

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 Company's financial statements) by reason of any contracts made by the Company with the Director or with a firm of which he/she is a Member, or with a company in which he/she has substantial financial interest.

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

Dated this 24th 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 Company 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 Company as at 30 June 2020 and of the performance and cash flows of the Company 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 Company will be able to pay its debts as and when they become due and payable.

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

Dated this 24th day of September 2020.

.... Director

.... Director

pwc

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

As auditor for Atlantic & Pacific Packaging Company Limited for the financial year ended 30 June 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 Atlantic & Pacific Packaging Company Limited 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

pwc

Independent Auditor's Report

To the Shareholders of Atlantic & Pacific Packaging Company Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

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

Independence

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

Key Audit Matters

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

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

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

Other Information

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

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

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

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

Responsibilities of Directors and Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

pwc

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

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

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

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

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

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

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

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

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

pwc

Report on Other Legal and Regulatory Requirements

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

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

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

Restriction on Use

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

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants

Kaushick Chandra
Partner

25 September 2020
Suva, Fiji

ATLANTIC & PACIFIC
PACKAGING COMPANY LIMITED

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

	Notes	2020 $'000	2019 $'000
Revenue	6	13,955	14,996
Other operating income	7	161	154
Changes in inventories of finished goods and work in progress		(71)	59
Raw materials and consumables used		(7,615)	(8,907)
Administration expense		(2,651)	(2,198)
Reversal of impairment loss/(impairment loss) on trade receivables		1	78
Other operating expenses		(1,449)	(1,885)
Profit from operations	8	**2,331**	**2,297**
Finance income	9	30	61
Finance cost	9	(109)	(109)
Profit before tax		**2,252**	**2,249**
Income tax expense	10	(215)	(222)
Profit for the year from continuing operations		**2,037**	**2,027**
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		**2,037**	**2,027**
Basic and diluted earnings per share (cents)	21	25.46	25.34

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

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2020 $'000	2019 $'000
Current assets			
Inventories	13	3,269	2,374
Current income tax asset	10	3	-
Trade receivables	14	469	862
Prepayments and other receivables	15	380	161
Amounts owing by related companies	22(d)	59	887
Cash on hand and at bank	12	2,133	-
		6,313	4,284
Non-current assets			
Property, plant and equipment	17	4,823	4,584
Right-of-use assets	18(a)	1,778	-
		6,601	4,584
Total assets		12,914	8,868
Current liabilities			
Bank overdraft	12	-	394
Trade and other payables	16	1,423	599
Current income tax liability	10(b)	-	50
Lease liabilities	18(b)	455	-
Amounts owing to related companies	22(e)	267	8
		2,145	1,051
Non-current liabilities			
Lease liabilities	18(b)	1,360	-
Deferred income tax liability	11	209	214
		1,569	214
Total liabilities		3,714	1,265
Net assets		**9,200**	**7,603**
Equity			
Share capital	19	4,000	4,000
Retained earnings		5,200	3,603
Total equity		**9,200**	**7,603**

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

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

Director

Director

ATLANTIC & PACIFIC
PACKAGING COMPANY LIMITED

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

	Note	Share capital $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2018		4,000	2,016	6,016
Comprehensive income				
Profit for the year		-	2,027	2,027
Other comprehensive income		-	-	-
Total comprehensive loss		-	2,027	2,027
Transactions with owners				
Dividend	20	-	(440)	(440)
Balance at 30 June 2019		4,000	3,603	7,603
Comprehensive income				
Profit for the year		-	2,037	2,037
Other comprehensive income		-	-	-
Total comprehensive income		-	2,037	2,037
Transactions with owners				
Dividend	20	-	(440)	(440)
Balance at 30 June 2020		4,000	5,200	9,200

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

ATLANTIC & PACIFIC
PACKAGING COMPANY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Receipts from customers		15,397	14,638
Payments to suppliers		(10,727)	(12,293)
Cash flows operations		4,670	2,345
Income tax paid		(273)	(284)
Interest paid		(109)	(109)
Net cash flows from operating activities		4,288	1,952
Cash flows from investing activities			
Interest received		30	61
Proceeds from disposal of property, plant and equipment		24	46
Purchase of property, plant and equipment		(931)	(407)
Net cash flows used in investing activities		(877)	(300)
Cash flows from financing activities			
Repayment of principal lease liabilities		(444)	-
Dividends paid		(440)	(440)
Net cash flows used in financing activities		(884)	(440)
Net increase in cash and cash equivalents		2,527	1,212
Cash and cash equivalents at the beginning of the year		(394)	(1,606)
Cash and cash equivalents at the end of the year	12	2,133	(394)

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

1 GENERAL INFORMATION

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

These financial statements were authorised for issue by the board of directors on 24th September 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

(a) New standards adopted by the Company

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

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

From 1 July 2019, all leases are now accounting for in accordance with the policy set out in Note 2.14. the Company has elected to apply the new rules modified 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 $2,144m 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 in the Company’s 2019 financial statements	510
Other operating lease commitments not previously recognised	2,035
Total operating lease commitments	2,545
Discounted at the incremental borrowing rate:	2,144
Add (Less):	
- Recognition exemption for short-term	-
- Extension and termination options reasonably certain to be exer(	-
Lease liabilities recognised as at 1 July 2019	2,144

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 Company 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 Company.

2.2 Segment reporting

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

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

2.3 Foreign currency translation

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

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

2.4 Property, plant and equipment

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Property, plant and equipment (cont'd)

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

Building	10%
Plant & machinery	4% - 33%
Office equipment	7%
Motor vehicles	25%
Furniture and fitting	10%
Computers	33%

Capital work-in-progress is not depreciated.

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

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

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

2.5 Financial assets

(i) Classification

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

Management determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial statements and the contractual terms of the cash flows. the Company'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 Company's financial assets measured at cost consist of cash and cash equivalents, trade receivables, other receivables and term deposits.

(ii) Recognition and measurement

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Financial assets (cont'd)

(ii) Recognition and measurement (cont'd)

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.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) 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 Company 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 Company 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.

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

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

The Company 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 Company 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 Company 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 Company's procedures for recovery of amounts due.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Offsetting financial instruments

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

2.7 Impairment of non-financial assets

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

2.8 Inventories

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

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

2.9 Provisions

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

2.10 Trade receivables

Trade receivables are recognised 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.

2.11 Cash and cash equivalents

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Financial liabilities

(i) Classification and subsequent measurement

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 Company 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 Company 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.

2.13 Trade payables

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

2.14 Leases

Policy applicable 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Leases (cont'd)

Policy applicable from 1 July 2019 (cont'd)

As a lessee (cont'd)

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.

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 Company leases premises for its production locations and therefore expects to exercise extension options for all leases that contain such options.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Leases (cont'd)

Critical judgements in determining rates for discounting future lease payments

The Company has entered into commercial property leases for its manufacturing locations. 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 Company's incremental borrowing rate as at balance date. The incremental borrowing rate is the rate of interest that the Company 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 Company 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 Company 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 Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

Policy applicable before 1 July 2019

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost.

The finance cost is charged to the 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 is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Leases (cont'd)

Policy applicable before 1 July 2019 (cont'd)

As a lessor

When the Company 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 Company 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 Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Lease income from operating leases where the Company 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.

2.15 Share capital

Ordinary shares are classified as equity.

2.16 Current and deferred income tax

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. the Company 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 Company's revenues consist mainly of sale of a variety of packaging materials. There are three type of accounts:

a. Cash on delivery - Customers are mostly counter customer who come to buy the goods from the Company'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.

c. Credit customers - Customers purchase good 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 Company and the customer at the time of application for credit account, however the Company 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.

2.18 Dividend distribution

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

2.19 Earnings per share

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

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

2.20 Comparative figures

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

2.21 Rounding of amounts

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 2.4), inventory valuation (Note 2.8), and right-of-use assets and lease liabilities (Note 2.14), the Company 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 Company's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk. the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Market risk

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

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

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

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

4 FINANCIAL RISK MANAGEMENT (cont'd)

(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 Company 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 Company does not hold any collateral as security.

The Company 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 Company 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 Company'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	**Gross $'000**	**Provision for $'000**
Current	6.99%	451	32
31 to 60 days overdue	16.25%	15	2
61 to 90 days overdue	32.12%	29	9
91 to 120 days overdue	52.95%	37	20
Over 120 days overdue	100.00%	21	21
		553	84

	2019		
	Expected weighted	**Gross $'000**	**Provision for $'000**
Current	4.76%	786	37
31 to 60 days overdue	10.82%	41	4
61 to 90 days overdue	21.67%	64	14
91 to 120 days overdue	70.72%	27	19
Over 120 days overdue	74.20%	70	52
		988	126

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	126	211
Reversal of impairment recognised during the year	(1)	(78)
Bad debts written-off	(41)	(7)
At 30 June	84	126

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

Impairments on other receivables and amounts owing by related companies 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.

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

(c) Liquidity risk

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

The Company's financial liabilities 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).

	Contracted Undiscounted Cashflows				
	Up to 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	Total $'000	Carrying Amount $'000
As at 30 June 2020					
Bank overdraft	-	-	-	-	-
Trade and other payables	1,423	-	-	1,423	1,423
Amounts owing to related companies	267	-	-	267	267
Lease liabilities	526	499	954	1,979	1,815
Total	2,216	499	954	3,669	3,505
As at 30 June 2019					
Bank overdraft	394	-	-	394	394
Trade and other payables	599	-	-	599	599
Amounts owing to related companies	8	-	-	8	8
Total	1,001	-	-	1,001	1,001

4 FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

The Company has provided security towards amounts borrowed by the various companies within the FMF

More specifically, it has provided a:

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

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

iii) Registered mortgage over Lot 7, SO 2502, situated at Navutu Industrial Subdivision, Lautoka Crown Lease 13841.

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

5 CAPITAL RISK MANAGEMENT

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

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

6 REVENUE

	2020 $'000	2019 $'000
By category		
Sales of goods	13,955	14,996

7 OTHER OPERATING INCOME

	2020 $'000	2019 $'000
Exchange gains	84	70
Sundry receipts	77	84
	161	154

8 PROFIT BEFORE TAX

	2020 $'000	2019 $'000
Profit before tax is stated after charging:		
Auditors' remuneration		
- Audit fees	17	15
- Taxation services	2	2

9 NET FINANCE COST

Finance income		
Interest on intercompany advances	30	61
Finance cost		
Interest expense on lease liabilities	(89)	-
Interest on bank overdraft	(15)	(12)
Interest on inter-company advances	(5)	(97)
	(109)	(109)
Net finance cost	(79)	(48)

10 INCOME TAX

	2020 $'000	**2019 $'000**
Income tax expense		

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

Profit before tax	2,252	2,249
Prima facie income tax expense at 10%	225	225
Tax effect of expenses not deductible	(4)	(5)
Prior year adjustments	(6)	2
Income tax expense	215	222
Movement in temporary differences	5	6
	220	228
Add: Current income tax liability – 1 July	50	106
Add: Tax paid	(273)	(284)
Current income tax (asset) / liability – 30 June	(3)	50

11 NET DEFERRED INCOME TAX LIABILITY

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

	2020 $'000	**2019 $'000**
(a) Deferred income tax liability		
Plant and equipment	245	238
(b) Deferred income tax assets		
Provision for doubtful debts	8	13
Provision for stock obsolescence	13	11
Provision for Leave entitlements	15	-
	36	24
Net deferred income tax liability	209	214

12 CASH ON HAND AND AT BANK

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

	2020 $'000	2019 $'000
Bank overdraft	-	(394)
Cash on hand and at bank	2,133	-
	2,133	(394)

13 INVENTORIES

	2020 $'000	2019 $'000
Raw materials	2,001	1,814
Finished products	134	177
Work-in-progress	44	72
Spare parts	367	289
Less: Allowance for obsolescence	(117)	(114)
	2,429	2,238
Goods in transit	840	136
	3,269	2,374

14 TRADE RECEIVABLES

	2020 $'000	2019 $'000
Trade receivables	553	988
Less: provision for impairment of trade receivables	(84)	(126)
	469	862

15 PREPAYMENTS AND OTHER RECEIVABLES

	2020 $'000	2019 $'000
Prepayments	89	155
Other receivable	287	-
Other debtors	4	6
	380	161

16 TRADE AND OTHER PAYABLES

	2020 $'000	2019 $'000
Trade payables	1,140	297
Other payables and accruals	127	206
Staff leave accruals	156	96
	1,423	599

17 PROPERTY, PLANT AND EQUIPMENT

	Building	Furniture & equipment & Computer	Motor vehicle	Plant & machinery	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 30 June 2018						
Cost	45	290	771	11,255	-	12,361
Accumulated depreciation	(8)	(279)	(585)	(6,453)	-	(7,325)
Net book amount	37	11	186	4,802	-	5,036
For year ended 30 June 2019						
Opening net book amount	37	11	186	4,802	-	5,036
Additions	-	38	2	367	-	407
Disposals	-	-	(40)	-	-	(40)
Depreciation charge	(1)	(6)	(75)	(737)	-	(819)
Closing net book amount	36	43	73	4,432	-	4,584
At 30 June 2019						
Cost	45	328	693	11,622	-	12,688
Accumulated depreciation	(9)	(285)	(620)	(7,190)	-	(8,104)
Net book amount	36	43	73	4,432	-	4,584
For year ended 30 June 2020						
Opening net book amount	36	43	73	4,432	-	4,584
Additions	-	2	59	159	711	931
Disposals	-	-	-	-	-	-
Depreciation charge	(1)	(9)	(48)	(634)		(692)
Closing net book amount	35	36	84	3,957	711	4,823
At 30 June 2020						
Cost	45	330	752	11,781	711	13,619
Accumulated depreciation	(10)	(294)	(668)	(7,824)	-	(8,796)
Net book amount	35	36	84	3,957	711	4,823

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The company leases its factory premises and land from its fellow subsidiary FMF Investment Company Pte Limited.

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

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

	Building $'000
Balance as at 1 July 2019	2,144
Additions	115
Depreciation charge for the year	(481)
Balance as at 30 June 2020	**1,778**

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

	2020 $'000
Current	455
Non-current	1,360
Total lease liabilities at 30 June 2020	1,815

(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	481
Interest expense (included in finance cost)	89

(d) Cash outflow for leases:

	2020 $'000
Repayment of principal lease liabilities	444
Interest expense	89
	533
Rental expense – short-term leases and leases of low-value assets	-
Total	533

19 SHARE CAPITAL

	2020 $'000	2019 $'000
Issued and fully paid:		
8,000,000 ordinary shares	4,000	4,000

20 DIVIDENDS

	2020 $'000	2019 $'000
Dividend declared	440	440
Number of shares ('000)	8,000	8,000
Dividend per share (cents)	5.50	5.50

21 EARNINGS PER SHARE

	2020 $'000	2019 $'000
Operating profit after tax	2,037	2,027
Number of ordinary shares issued	8,000	8,000
Earnings per share (cents)	25.46	25.34

22 RELATED PARTIES

(a) Directors

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

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

(b) Immediate and ultimate holding company

The immediate holding company is FMF Foods Limited.

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

The ultimate holding company is Hari Punja Nominees Pte Limited.

22 RELATED PARTIES (Cont'd)

(c) Related party transactions

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

	2020 $'000	2019 $'000
Income		
Sales	8,494	9,163
Interest	30	61
Boiler fees	78	78
Expense		
Rent	472	472
Administration and support charges	84	84
Interest expenses	5	97
Management fee	67	63
Dividend	264	264

The management fee is paid to HPS in accordance with a management agreement the company has with HPS.

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

From 1 July 2019 upon the adoption of IFRS 16, rent charged by a related party amounting to $2,115,866 during the current year has been accounted for as part of lease liabilities with balance amounting to $1,729,025 as at 30 June 2020.

(d) Amounts owing by related companies

	2020 $'000	2019 $'000
Immediate holding company	-	275
Fellow subsidiaries	59	612
	59	887

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).

22 RELATED PARTIES (Cont'd)

	2020 $'000	2019 $'000
(e) Amounts owing to related companies		
Penultimate holding company	5	-
Immediate holding company	51	1
Fellow subsidiaries	211	7
	267	8

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

(f) Key management compensation

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

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

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

	2020 $'000	2019 $'000
Salaries and other short term benefits	72	72

23 CONTINGENCIES & COMMITMENTS

(a) No capital expenditure and commitments at year end (2019: $Nil).

	2020	2019
(b) Letters of credit	993	554
(c) Indemnity guarantees	178	178

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

24 SEGMENT REPORTING

(a) Industry segment

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

(b) Geographical segment

The company operates predominantly in the geographical segment of Fiji. In 2020, 93% of the sales were in Fiji (2019: 93%).

25 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 Company 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 Company has considered internal and external sources of information. Based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of laying of these financial statements before the shareholders and the Company will continue to closely monitor any material changes to future economic conditions.

26 EVENTS SUBSEQUENT TO BALANCE DATE

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

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

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

27 COMPANY DETAILS

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

Share Register:
Central Share Registry Pte Limited
Shop 1 and 11
Sabrina Building
Victoria Parade
Suva, Fiji

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

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

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

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

NAME	No. of Shares	%
FMF FOODS LIMITED	4,800,000	60.00
BSP LIFE (FIJI) LIMITED	851,069	10.64
UNIT TRUST OF FIJI (TRUSTEE COMPANY) LTD	837,680	10.47
FHL TRUSTEES LIMITED ATF FIJIAN HOLDINGS UNIT TRUST	449,071	5.61
HARI PUNJA & SONS LIMITED	258,268	3.23
MARELA HOLDINGS LTD	100,000	1.25
CARLISLE (FIJI) LIMITED	79,750	1.00
PLATINUM INSURANCE LIMITED	73,653	0.92
KEN KUNG	25,000	0.31
TUTANEKAI INVESTMENTS LIMITED	23,000	0.29
FIJICARE INSURANCE LIMITED	23,000	0.29
CICIA PLANTATION CO-OPERATIVE SOCIETY LTD	20,000	0.25
J K S HOLDINGS LIMITED	20,000	0.25
LEO BARRY SMITH	20,000	0.25
AMARSEE BHAGWANJEE LTD	20,000	0.25
DINESH CHAUHAN	20,000	0.25
JOSEPHINE AND GIRISH MAHARAJ	20,000	0.25
KUNDAN SINGH & SONS HOLDINGS	20,000	0.25
FIJI CO-OPERATIVE UNION LIMITED	18,000	0.23
VENILAL NARSEY	15,000	0.19

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

Distribution of ordinary shareholders:

NO. OF SHAREHOLDERS	SHAREHOLDING	TOTAL % HOLDING
11	0 - 500 shares	0.04
71	501 - 5,000 shares	2.24
14	5,001 - 10,000 shares	1.58
10	10,001 - 20,000 shares	2.29
3	20,001 - 30,000 shares	0.89
0	30,001 - 50,000 shares	0.00
3	50,001 - 100,000 shares	3.16
4	100,001 - 1,000,000 shares	29.90
1	Over 1,000,000 shares	59.90
117		**100.00**

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

(c) 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. Rohit Punja (Chairman)	4	4	N/A
Mr. Ram Bajekal (Managing Director)	4	4	N/A
Mr. Gary Callaghan (Independent Director)	4	4	N/A
Mr. Pramesh Sharma (Non-Executive Director)	4	4	N/A
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 (xiv):

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

	2020	2019	2018	2017	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000
Net profit after tax	2,037	2,027	985	1,039	(69)	493
Current assets	6,313	4,284	3,851	3,981	4,260	4,659
Non-current assets	6,601	4,584	5,050	4,512	4,021	2,105
Total assets	12,914	8,868	8,901	8,493	8,281	6,764
Current liabilities	2,145	1,051	2,536	2,730	3,350	1,839
Non-current liabilities	1,569	214	246	309	316	141
Total liabilities	3,714	1,265	2,782	3,039	3,666	1,980
Shareholders' equity	9,200	7,603	6,119	5,454	4,615	4,784

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

Dividend declared per share:

	2020	2019	2018	2017	2016	2015
Cents per share	5.50	5.50	4.00	2.50	1.25	4.00

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

Earnings per share:

	2020	2019	2018	2017	2016	2015
Cents per share	25.46	25.34	12.31	12.99	(0.86)	6.16

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

Net tangible assets per share:

	2020	2019	2018	2017	2016	2015
Cents per share	115.46	95.04	76.49	68.18	57.68	59.80

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

	2020	2019
Share price during the year	$	$
Highest	1.75	1.60
Lowest	1.60	1.22
On 30th June	1.75	1.60

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 **Atlantic & Pacific Packaging Company 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 10.30 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 at sandeepk@fmf.com.fj before **10.30 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

ATLANTIC & PACIFIC PACKAGING COMPANY 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 at 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**).