



The Right  
Choice.

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# **FMF FOODS LIMITED**

**(Formerly Flour Mills of Fiji Limited)**

**ANNUAL REPORT  
2021**

October 15, 2021

Dear Shareholder

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

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

Sending the notices and reports through electronic mode will definitely reduce paper consumption to a great extent in addition to allowing online access to documents promptly and without loss in postal transit. Your Company is committed to contribute to a greener environment and we are sure that as a responsible shareholder, you too will support this initiative. We, therefore, seek your written consent to receive future Notice of Meetings and Annual Reports in electronic format and to have access to such documents published on the Company website : [www.fmf.com.fj](http://www.fmf.com.fj) or on the South Pacific Stock Exchange website : [www.spx.com.fj](http://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](mailto:sandeepk@fmf.com.fj) ; or
- b) Posted / Hand delivered to the address noted below :

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

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

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

Best regards



**Sandeep Kumar**  
**Company Secretary**

**CONSENT FOR RECEIVING NOTICES AND ANNUAL REPORT IN ELECTRONIC MODE**

To

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

Dear Sir,

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

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

SIN \_\_\_\_\_

Name of the Sole / First Shareholder : \_\_\_\_\_

Name of the Joint Shareholders (if any) : \_\_\_\_\_

\_\_\_\_\_

No. of shares held : \_\_\_\_\_

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

Date:

Place:

Signature: \_\_\_\_\_  
(Sole/ First Shareholder)

## **FMF FOODS LIMITED**

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## **FMF FOODS LIMITED**

### **BOARD OF DIRECTORS**

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

Mr. Ram Bajekal - *Chairman*

Mr. Rohit Punja

Mr. Sanjay Punja - *Managing Director*

Mr. Pramesh Sharma – *Independent Director*

Ms. Jenny Seeto – *Independent Director*

Mr. Ajai Punja – *Alternate Director to Mr. Sanjay Punja*

Ms. Leena Punja - *Alternate Director to Mr. Rohit Punja*

### **GROUP CHIEF FINANCIAL OFFICER & COMPANY SECRETARY**

Mr. Sandeep Kumar K

### **AUDITORS**

PricewaterhouseCoopers,  
Chartered Accountants,  
Suva.

### **SOLICITORS**

M/s Sherani & Co.

### **BANKERS**

Australia and New Zealand Banking Group Limited

### **REGISTERED OFFICE**

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

### **SHARE REGISTRAR AND SHARE TRANSFER AGENTS**

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

## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 49th Annual General Meeting (AGM) of FMF Foods Limited will be held on **Friday, November 12, 2021** at **11.00 a.m.**, at the Training Room, Atlantic & Pacific Packaging Company Limited, Leonidas Street, Walu Bay, Suva, Fiji.

In the light of mandatory COVID-19 protocols, physical presence of shareholders at the AGM venue will be restricted to 30 people on a 'first-registered-first-confirmed' basis. Furthermore, only those shareholders who are fully vaccinated will be permitted to physically attend the meeting upon presentation of the vaccination card. However, the Shareholders and other stakeholders eligible to participate in the AGM have the option to attend the meeting through our online video conferencing ("VC") platform. Those registering to attend 'in-person' after the maximum permitted 30 seats have been taken up will be notified of our inability to include them for physical attendance. Instead, they will be provided with alternate facility to attend the meeting on-line. We apologise for our inability to allow a higher number due to the COVID-19 protocols.

Those who wish to attend the meeting are requested to fill in the pre-registration form attached to the Notice, selecting the appropriate box for mode of attendance and send their confirmation of participation to [sandeepk@fmf.com.fj](mailto:sandeepk@fmf.com.fj) no later than 5 p.m. November 8, 2021.

During the meeting, Members wishing to ask questions or make comments would have to use the 'raise hands' and 'chat box' feature in the VC platform. Members are requested to express their views / send their queries in advance mentioning their name, shareholder identification number, email id, contact number at [sandeepk@fmf.com.fj](mailto:sandeepk@fmf.com.fj), latest by November 5, 2021, so that this can be considered and responded during the meeting.

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

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

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

To receive and consider the consolidated financial statements of the Group for the year ended June 30, 2021, including the audited statement of financial position as at June 30, 2021, 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 3.00 cents per equity share, declared by the Company on 25 March 2021 for the financial year ended on June 30, 2021.

### **Item No.3 – Appointment of Directors**

**(a) Mr. Rohit Punja**

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

**(b) Mr. Sanjay Punja**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: -

“RESOLVED that pursuant to Article 53 of the Articles of Association of the Company, Mr. Sanjay Punja who was appointed an Additional Director of the Company with effect from December 2, 2020 and who holds office up to the date of this Annual General Meeting of the Company and being eligible for re-appointment, be and is hereby appointed a Director of the Company.

**(c) Ms. Jenny Seeto**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: -

“RESOLVED that pursuant to Article 53 of the Articles of Association of the Company, Ms. Jenny Seeto who was appointed an Additional and Independent Director of the Company with effect from March 25, 2021 and who holds office up to the date of this Annual General Meeting of the Company and being eligible for re-appointment, be and is hereby appointed an Independent Director of the Company.

### **Item No.4 – Appointment of Auditors**

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

### **Any Other Business**

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

**By Order of the Board of Directors**



**Sandeep Kumar K**  
Chief Financial Officer and  
Company Secretary

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

October 15, 2021

## **PROXIES**

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

## **Explanatory Notes:**

### **ORDINARY BUSINESS:**

#### **Item No.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, 2021 will be laid before the meeting. The audited financial statements of the Company and its subsidiaries (together the ‘Group’) have been prepared and reported based on a consolidated basis as per the International Financial Reporting Standards (IFRS).

In line with the provisions of the Companies Act 2015 and as stipulated by 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 3.00 cents per share declared by the Company on March 25, 2021 for the financial year ended on June 30, 2021 be ratified by the shareholders of the Company.

#### **Item No.3 (a) – Appointment of Director – Mr. Rohit Punja**

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. Rohit Punja would retire by rotation and is eligible to be re-elected.

Mr. Rohit Punja carries rich experience in the manufacturing sector and has held position as Director and Chief Executive Officer of the Company previously from 1986 to 1992. He did his education in Tasmania and India and has also completed a work training in Tea Tasting and Tea



Grading in Sri Lanka. Apart from holding directorship in FMF Foods Ltd. and its subsidiaries, he holds Directorship in Hari Punja & Sons Pte Ltd. and Chairmanship in Camira Holdings Pte Ltd., TD Punja & Company Pte Ltd., Fiesty Pte Ltd., Wailoaloa Developments Pte Ltd. and Boiler Solutions Pte Ltd.

The Board recommends that Mr. Rohit Punja be re-appointed as Director of the Company as it considers that the nominee possesses attributes necessary for the development of the Company.

### **Item No.3 (b) – Appointment of Director – Mr. Sanjay Punja**

Mr. Sanjay Punja was appointed by the Board of Directors as an Additional Director of the Company with effect from December 2, 2020. Mr. Punja was subsequently appointed as the Managing Director of the Company effective from March 28, 2021. In accordance with Article 53 of the Articles of Association of the Company, the Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment at that meeting.

Mr. Sanjay Punja is a seasoned executive and has previously held the position of Director and Chief Executive Officer of the Company from the year 1992 to 2009. Mr. Punja has enormous experience in managing the affairs of the business, especially in the manufacturing and FMCG industry.

Keeping in view of Mr. Punja's vast experience and knowledge, the Board considers that his appointment as Director and Managing Director would be of immense benefit to the Company and recommends his appointment for approval of the Members.

### **Item No.3 (c) – Appointment of Director – Ms. Jenny Seeto**

Ms. Jenny Seeto was appointed by the Board of Directors as an Independent Director of the Company with effect from March 25, 2021. Ms. Seeto was also appointed to the Chair of the Company's Audit and Finance Sub-Committee. In accordance with the Article 53 of the Articles of Association of the Company, the Additional Director appointed by the Board shall hold office up to the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment at that meeting.

Ms. Jenny Seeto is a Chartered Accountant, Consultant and Mediator. She retired from PricewaterhouseCoopers in the year 2017 when she held the role of Senior Partner. She has extensive experience in providing assurance, taxation, human resources and advisory services to a diverse range of international, regional and local organisations in multiple sectors. She is a facilitator with the Australian Institute of Company Directors and Chairs its Local Advisory Board.

Considering the vast knowledge and expertise of Ms. Seeto, the Board recommends the appointment of Ms. Jenny Seeto as an Independent Director of the Company for approval of the Members.

**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 hope you and your loved ones are safe and well during this most unprecedented time of the COVID-19 pandemic.

This is my first address to you, our Shareholders, since assuming the role of Chair after having served your Company for twelve years in the capacity of CEO and later its Managing Director. I feel deeply honored and privileged.

Before going any further, allow me to express most sincere gratitude on behalf of all stakeholders in the Company to Mr Hari Punja, erstwhile Chairman who stepped down on March 25, 2021 after leading the Company for 42 glorious years. Without doubt, the Company owes its present position to Mr Punja's vision ever since he took over its reins in the year 1979. He has helped the Company steadily add new businesses and his guidance has enabled it to grow to what it has become today. We wish Mr Punja all happiness in the years to come. The Board and I personally are delighted that he accepted our invitation to continue his association with the Company in the capacity of Chairman Emeritus which will allow us access to his wisdom and counsel whenever we need it.

I would also like to place on record our deep appreciation and gratitude to Mr Gary Callaghan our long-serving Director who also stepped down from the Board on November 30, 2020. Mr Callaghan has been associated with the Company for over 28 years and together with Mr Hari Punja, has been instrumental in its growth and success. We also wish Mr Callaghan lots of happiness in coming years.

The pandemic has unleashed incalculable loss to human life and unprecedented disruption to economic activity across the globe without exception. Additionally, Fiji witnessed two tropical cyclones that wreaked havoc and destruction in the country during the year under review. This was followed by a second wave of COVID-19 and consequent lockdowns in most parts of the country and particularly in Viti Levu, impacting the economy adversely.

Despite this challenging business environment, the Group managed to grow its revenue during the year by 6% to \$217.3 Mn. from \$204.9 Mn. in the previous year. The increase in volumes were achieved mainly in the staple foods category whereas the biscuit category saw a decline in volumes. Growth has also come from our trading operations, primarily from sale of feed wheat. There has been a surge in commodity prices during the year due to imbalances in demand-supply and higher freight costs which had a negative impact on our margins. Wheat prices during the first half of the year under review witnessed a significant increase which could not be passed on to consumers. This increase in input costs, coupled with product mix change resulted in higher material consumption cost. However, our continued efforts to keep other overheads in check and bring efficiencies in operations helped offset the lower contribution margins to some extent. The Group's net profit during the year at \$9.2 Mn. was lower by 26% compared to \$12.4 Mn. of the preceding year.

The Company declared an increased dividend payout for FY'21 at \$4.5 Mn. compared to \$3.0 Mn. during the previous year.

## Outlook

Even as uncertainties exist around COVID-19, the increase in vaccination coverage in Fiji and the Government's plan to reopen international borders in November 2021 will certainly help the country's economic revival. As per the Asian Development Bank's outlook update in September 2021, Fiji's GDP is expected to contract by 5% in 2021 before rebounding to a growth of 8.8% in 2022. Inflation rates are forecast at 1.0% in 2021 and 3.0% in 2022.

While debates continue around the timing and shape of the economy's recovery curve, the challenges being faced by businesses in the short term are real and impacting: volatile and high commodity prices, high freight costs and delays in shipment. This is putting pressure on the cost and margins as well as inventory holding cycles and working capital. As always, we will continue to focus on strengthening our operations and product portfolio through innovations and work diligently on cost and productivity. The management is hopeful of wading through these difficult and uncertain times on the back of our strong fundamentals, demonstrated track record, strong brand equity and our dedicated workforce.

At this juncture I would like to place on record my sincere appreciation and thanks to my fellow Board members, our valued customers, vendors, financiers, government, regulatory authorities and investors for the unstinted trust, support, guidance and co-operation extended to the Group.

I also express my gratitude to our employees and management led by our new Managing Director Mr Sanjay Punja, for their tenacity and perseverance which has helped us navigate through these difficult times.

Adversities such as those brought about by the pandemic serve as a reminder of the importance of many things we tend to take for granted: our personal health & wellbeing, our interdependence within family and within the larger community, the economy, employment & livelihood opportunities and many more. It is therefore with pride that I am able to say that your Company has stood steadfast by its employees, customers, business partners, the government, and the community at large during these trying times and we pledge to continue doing so as a good corporate citizen.

In closing, I wish each and every one of you good health and safe living as we march with optimism into the new financial year.

Sincerely,



**Ram Bajekal**  
**Chairman**

October 11, 2021

## **Corporate Governance Report**

*Under Rule 51.2(xix) and Rule 62 of the SPX Listing Rules.*

FMF Foods Limited

For the Financial Year ended on 30<sup>th</sup> June, 2021

Principle	Requirement	Compliance Status (Please provide details)
1. Establish clear responsibilities for board oversight	Separation of duties: Clear separation of duties between Board and Senior Management.	In place and included in the Board Charter.
	Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board.	In place
2. Constitute an effective Board	Board Composition: Balanced Board Composition with Executive and Non-Executive directors of which 1/3 <sup>rd</sup> of total number of directors to be independent directors.	Board comprises of 6 Directors out of which 2 Directors are Independent.
	Gender Diversity: Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	At present, the Board comprises of two female directors, an Independent and an Alternate Director.
	Nomination Committee: Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	The Board manages this function considering its size.
	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 manages this function considering its size.
	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 - <ul style="list-style-type: none"> <li>• Audit Committee;</li> <li>• Risk Management Committee; and</li> <li>• Nomination Committee/Recruitment Committee.</li> </ul>	The Board has an Audit and Finance Sub-Committee which oversee the Risk Management framework. At present, the Board discharges the 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 competent and experienced person 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	<p>Annual Reports:</p> <p>Timely and accurate disclosures are made in Annual reports as per Rule 51 of Listing Rules.</p>	All relevant disclosures as mandated under the Listing Rules have been complied with.
	<p>Payment to Directors and Senior management:</p> <p>Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.</p>	Relevant disclosures are made in the Annual Accounts.
	<p>Continuous Disclosure:</p> <p>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.</p>	Complied
6. Promote ethical and responsible decision-making	<p>Code of Conduct:</p> <p>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.</p>	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 and 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. Further, the Board Charter provides the Code of Ethics to be followed by Directors.
7. Register of Interests	<p>Conflicts of Interest:</p> <p>Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.</p>	<p>The Company maintains a Register of Interest wherein the interests of Directors are noted.</p> <p>Further, there is a specific policy in place on conflict of interest signed by the employees.</p>
8. Respect the rights of shareholders	<p>Communication with shareholders:</p> <p>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.</p>	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.
	<p>Website:</p> <p>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.</p>	Website in place <a href="http://www.fmf.com.fj">www.fmf.com.fj</a>
	<p>Grievance Redressal Mechanism:</p> <p>To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.</p>	There is an Investor Grievance Redressal Policy in place. The Company Secretary acts as the Compliance Officer for this Policy.

9. Accountability and audit	<p>Shareholders' Complaints:</p> <p>To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.</p>	There were no complaints received during the year.
	<p>Corporate Sustainability:</p> <p>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.</p>	The company's vision statement and its policies are aligned to this.
	<p>Internal Audit:</p> <p>To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.</p>	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.
	<p>External Audit:</p> <p>To appoint an external auditor who reports directly to the Board Audit Committee.</p>	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.
	<p>Rotation of External Auditor:</p> <p>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.</p>	The signing partner of the external auditors rotates every five years,
	<p>Audit Committee:</p> <p>To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.</p>	Audit and Finance Sub Committee comprises of three Directors and is chaired by an independent director.
10.Risk Management	<p>Risk Management Policy:</p> <p>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.</p>	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.
	<p>Whistle Blower Policy:</p> <p>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]</p>	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.

**FMF FOODS LIMITED AND SUBSIDIARIES****FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021****DIRECTORS' REPORT**

In accordance with a resolution of the Board of Directors, the Directors herewith submit the consolidated statement of financial position of FMF Foods Limited ("the Company") and its subsidiaries (together forming "the Group") as at 30 June 2021 and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and report as follows:

**1 Directors**

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

- Hari Punja Order of Fiji, OBE – Chairman Emeritus
- Ram Bajekal - Chairman (*Appointed on 26th March 2021*)
- Sanjay Punja - Managing Director (*Appointed on 2nd December 2020*)
- Rohit Punja
- Pramesh Sharma
- Gary Callaghan - *Resigned on 30th November 2020*
- Jenny Seeto - *Appointed on 25th March 2021*
- Ajai Punja (Alternate Director to Sanjay Punja)
- Leena Punja (Alternate Director to Rohit Punja)

**2 Principal activities**

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

**3 Trading results**

The profit for the year from continuing operations of the Group attributable to the members of the Company for the year was \$9.2m (2020: \$12.4m).

**4 Provisions**

There were no material movements in provisions.

**5 Dividends**

During the year, the Group has declared an interim dividend of 3.00 cents per equity share (2020: 2.00 cents) entailing outflow of \$4.5m (2020: \$3.0m). No further dividend is recommended for the financial year ended 30 June 2021.

**6 Going concern**

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



**FMF FOODS LIMITED AND SUBSIDIARIES****FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021****DIRECTORS' REPORT (Cont'd)****7 Bad and doubtful debts**

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

**8 Current assets**

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

**9 Impact of COVID-19 Pandemic**

The outbreak of the COVID-19 pandemic has resulted in heightened uncertainty globally across industry segments. There has been significant adverse financial and social impact in Fiji and globally caused by this pandemic. The changes in consumer behavior, buying patterns, increase in commodity prices, challenges in supply chain due to logistics delays, working environment and maintaining protocols arising due to COVID-19 pandemic pose some challenges for the businesses. While the Group's staple food products such as flour and rice are expected to be only marginally affected by lower sales due to present socio-economic conditions, we do expect sales of impulse-purchase products such as biscuits, chips and noodles to be more heavily impacted. The Group has been focusing on ensuring the safety of its employees and other stakeholders as well as ensuring the availability of its products, most of which are daily essentials, across the country. Based on current estimates, the Group does not expect any material impact on the carrying amount of these assets and liabilities. Continued volatility in the price and availability of raw materials on account of economic conditions, market demand, production levels and logistic challenges could affect the operational and financial performance of the Company. The Board reviews the long term impact of the pandemic and takes all steps necessary for the Group to adapt itself to emerging changes and the new normal.

**10 Events subsequent to balance date**

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

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

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

**11 Related party transactions**

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

**FMF FOODS LIMITED AND SUBSIDIARIES****FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021****DIRECTORS' REPORT (Cont'd)****12 Other circumstances**

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

**13 Unusual transactions**

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

**14 Directors' and executive managements' interests**

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


	<u>Beneficially</u>		<u>Non-Beneficially</u>	
	<u>Additions</u>	<u>Holding</u>	<u>Additions</u>	<u>Holding</u>
Sanjay Punja	-	-	-	106,124,847
Rohit Punja	-	-	-	106,124,847
Ajai Punja (Alternate to Sanjay Punja)	-	-	-	106,124,847
Leena Punja (Alternate to Rohit Punja)	-	-	-	106,124,847
Anuj K Patel	-	17,500	-	-
Sandeep Kumar	-	1,000	-	-


**15 Directors' benefits**

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

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

Dated this 23rd day of September 2021.

  
.....  
Director

  
.....  
Director

**FMF FOODS LIMITED AND SUBSIDIARIES****FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021****DIRECTORS' DECLARATION**

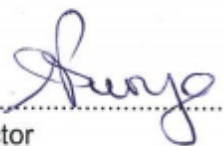

The declaration by Directors is required by the Companies Act 2015.

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

- a) In the opinion of the Directors, the financial statements of the Group for the financial year ended 30 June 2021:
  - i) comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the Group as at 30 June 2021 and of the performance and cash flows of the Group for the year ended 30 June 2021; and
  - ii) have been prepared in accordance with the Companies Act 2015.
- b) The Directors have received independence declaration by auditors as required by Section 395 of the Companies Act 2015; and
- c) At the date of this declaration, in the opinion of the Directors, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Dated this 23rd day of September 2021.

  
.....  
Director  
.....  
Director



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

As group auditor for FMF Foods Limited and its subsidiaries for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of FMF Foods Limited and the entities it controlled during the financial year.

PricewaterhouseCoopers  
Chartered Accountants

*PricewaterhouseCoopers*

by

*Paritosh Deo*

Paritosh Deo  
Partner

30 September 2021

*PricewaterhouseCoopers, Level 8 Civic Tower, 272 Victoria Parade, Suva, Fiji.  
GPO Box 200, Suva, Fiji.  
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PricewaterhouseCoopers is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.



## **Independent Auditor's Report**

To the Shareholders of FMF Foods Limited

### **Report on the Audit of the Consolidated Financial Statements**

#### *Opinion*

We have audited the accompanying consolidated financial statements of FMF Foods Limited (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### *Basis for Opinion*

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

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

#### *Independence*

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

#### *Key Audit Matters*

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



Key audit matter	How our audit addressed the key audit matter
<p><b>Timing of recognition for export revenues</b> <b>(Refer also to Note 2.18)</b></p> <p>Timing of recognition for export revenues is considered a key audit matter, as sales into overseas markets represent a significant portion of total Group revenues and the appropriate recognition for export revenues is dependent on export sales terms, shipping arrangements and movements.</p> <p>These terms vary by customer and delivery of goods to customers may take up to a month, thereby increasing the risk of premature recognition of export revenues occurring close to balance date.</p>	<p>Our audit procedures to ensure export revenues were accounted for in the correct accounting period included the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the appropriateness of the Group's accounting policies, processes and controls over the timing of recognition for export sales.</li> <li>• Testing the timing of recording export sales by selecting a sample of export sale transactions recorded in the accounting records before and after the balance date, and sighting the sales terms and internal and external shipping documents to ensure if the export sales were recorded in the correct accounting period.</li> <li>• Testing a sample of export sale transactions recorded during the year back to supporting details of sales terms and shipping documents.</li> <li>• Obtaining confirmations of accounts receivable balances from a selection of export sale customers as at balance date.</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<p><b>Volume of wheat inventory</b> <b>(Refer also to Notes 2.8 and 13)</b></p> <p>Wheat inventory stored in silos represents a significant portion of the Group's raw materials balance within total inventories. The quantity of wheat inventory on hand at balance date is determined by physical measurement of volume at that date. The measurement of volume of wheat inventory stored in silos involves some judgment and estimates regarding the silos and level of contents, and accordingly, the existence of wheat inventory is considered a key audit matter.</p>	<p>Our audit procedures in response to the existence and measurement of volume of wheat inventory included the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the appropriateness of the Group's accounting policies, processes and controls over the measurement of volume of wheat inventory.</li> <li>• Attending the annual inventory measurement on all silos at balance date and observing the measurements of the silo's contents.</li> <li>• Agreeing assumptions and inputs on the volume calculation models to supporting documentations from the silo manufacturer and externally available industry data and considering their reasonableness.</li> <li>• Reperforming volume calculations performed by management to ensure they were accurate.</li> <li>• Performing sensitivity analysis on the volume calculation models to ascertain whether sensitivities calculated are materially significant.</li> </ul>



### *Other Information*

Directors and management are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2021 (but does not include the consolidated financial statements and our auditor's report thereon).

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

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

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

### *Responsibilities of Directors and Management for the Consolidated Financial Statements*

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

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

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

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

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





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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors and management.
- Conclude on the appropriateness of the directors' and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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



### **Report on Other Legal and Regulatory Requirements**

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

- a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Group has kept financial records sufficient to enable the consolidated financial statements to be prepared and audited.

### **Restriction on Use**

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

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

**PricewaterhouseCoopers**  
**Chartered Accountants**

A handwritten signature in blue ink that reads 'Paritosh Deo'.

**Paritosh Deo**  
**Partner**

**30 September 2021**  
**Suva, Fiji**

**FMF FOODS LIMITED AND SUBSIDIARIES****STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$'000	2020 \$'000
Revenue	6	217,321	204,885
Other operating income	7	768	781
Changes in inventories of finished goods and work in progress		(1,723)	575
Raw materials and consumables used		(149,850)	(129,829)
Staff costs		(18,149)	(20,228)
Depreciation on property, plant and equipment	18	(8,001)	(7,998)
Depreciation on right-of-use assets	23	(294)	(525)
Allowance for impairment loss on trade receivables	4(b)	(869)	(476)
Other operating expenses		(28,650)	(31,463)
<b>Profit from operations</b>		<b>10,553</b>	<b>15,722</b>
Finance income	8	1,092	403
Finance cost	8	(1,045)	(1,666)
<b>Profit before tax</b>	9	<b>10,600</b>	<b>14,459</b>
Income tax expense	10	(1,404)	(2,066)
<b>Profit for the year from continuing operations</b>		<b>9,196</b>	<b>12,393</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		66	(6)
<b>Total comprehensive income for the year</b>		<b>9,262</b>	<b>12,387</b>
Attributable to:			
- Owners of the parent company		7,802	11,037
- Non-controlling interests		1,394	1,356
		<b>9,196</b>	<b>12,393</b>
<b>Basic and diluted earnings per share (cents)</b>	26	<b>5.20</b>	<b>7.36</b>

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

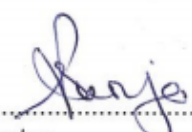
**FMF FOODS LIMITED AND SUBSIDIARIES****STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**


	Notes	2021 \$'000	2020 Restated \$'000
<b>Current assets</b>			
Inventories	13	50,402	65,940
Current income tax assets	10	1,299	1,650
Other investments	16	13,880	12,082
Trade receivables	14	29,029	22,140
Prepayments and other receivables	15	6,189	5,234
Amounts owing by related companies	28(c)	342	5
Cash on hand and at bank	12(a)	23,141	22,025
		<u>124,282</u>	<u>129,076</u>
<b>Non-current assets</b>			
Property, plant and equipment	18	82,440	84,294
Right-of-use assets	23(a)	9,149	9,754
Deferred income tax assets	11(a)	867	643
		<u>92,456</u>	<u>94,691</u>
<b>Total assets</b>		<u>216,738</u>	<u>223,767</u>
<b>Current liabilities</b>			
Bank overdraft	12(a)	26,264	42,936
Trade and other payables	20	19,546	12,311
Borrowings	22	2,000	2,000
Lease liabilities	23(b)	139	303
Amounts owing to related companies	28(d)	3,441	1,637
		<u>51,390</u>	<u>59,187</u>
<b>Non-current liabilities</b>			
Borrowings	22	7,261	10,749
Lease liabilities	23(b)	2,121	2,465
Deferred income tax liabilities	11(b)	6,628	6,089
		<u>16,010</u>	<u>19,303</u>
<b>Total liabilities</b>		<u>67,400</u>	<u>78,490</u>
<b>Net assets</b>		<u>149,338</u>	<u>145,277</u>
<b>Equity</b>			
Share capital	24	6,000	6,000
Retained earnings		135,250	131,948
Foreign currency translation reserve		54	(12)
		<u>141,304</u>	<u>137,936</u>
Non-controlling interests		<u>8,034</u>	<u>7,341</u>
<b>Total equity</b>		<u>149,338</u>	<u>145,277</u>

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

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

Dated this 23rd day of September 2021.

  
.....  
Director

  
.....  
Director

**FMF FOODS LIMITED AND SUBSIDIARIES****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	Attributable to owners of the Group			Non - controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Retained earnings \$'000	Foreign currency translation reserve \$'000		
<b>Balance at 1 July 2019</b>		6,000	123,911	(6)	6,686	136,591
<b>Comprehensive income</b>						
Profit for the year		-	11,037	-	1,356	12,393
Other comprehensive income		-	-	(6)	-	(6)
Total comprehensive income		6,000	134,948	(12)	8,042	148,978
<b>Transactions with owners</b>						
Dividends	25	-	(3,000)	-	(701)	(3,701)
<b>Balance at 30 June 2020</b>		6,000	131,948	(12)	7,341	145,277
<b>Comprehensive income</b>						
Profit for the year		-	7,802	-	1,394	9,196
Other comprehensive income		-	-	66	-	66
Total comprehensive income		6,000	139,750	54	8,735	154,539
<b>Transactions with owners</b>						
Dividends	25	-	(4,500)	-	(701)	(5,201)
<b>Balance at 30 June 2021</b>		6,000	135,250	54	8,034	149,338

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

**FMF FOODS LIMITED AND SUBSIDIARIES****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Note</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of value added tax)		212,609	218,331
Payments to suppliers and employees (inclusive of value added tax)		(176,921)	(209,022)
<b>Cash generated from operations</b>		35,688	9,309
Income taxes paid		(737)	(1,306)
Interest paid		(1,045)	(1,666)
<b>Net cash generated from operating activities</b>		33,906	6,337
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		36	93
Acquisition of property, plant and equipment (exclusive of value added tax)		(6,566)	(10,701)
Interest received		1,092	368
Acquisition of other investments		(1,798)	(940)
<b>Net cash (used in) investing activities</b>		(7,236)	(11,180)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	6,749
Repayment of borrowings		(3,488)	(2,000)
Repayment of principal lease liabilities		(193)	(219)
Dividends paid		(5,201)	(3,701)
<b>Net cash (used in)/ generated from financing activities</b>		(8,882)	829
<b>Net increase/ (decrease) in cash and cash equivalents</b>		17,788	(4,014)
<b>Cash and cash equivalents at the beginning of the year</b>		(20,911)	(16,897)
<b>Cash and cash equivalents at the end of the year</b>	12	(3,123)	(20,911)

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

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**1 GENERAL INFORMATION**

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

These financial statements were authorised for issue by the Board of Directors on 23rd September 2021.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**2.1 Basis of preparation**

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

*(a) New standard adopted by the Group*

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 July 2020 that have a material impact on the Group.

*(b) New standards issued but not effective for the financial year beginning 1 July 2020 and not early adopted*

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

**2.2 Principles of consolidation**

*Subsidiaries*

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

**FMF FOODS LIMITED AND SUBSIDIARIES**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**2.2 Principles of consolidation (Cont'd)**

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

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

**2.3 Segment reporting**

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

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

- (a) food products - manufacture and/or sale of a wide variety of famous products to its local as well as export market such as biscuits, snacks, peas, flour, etc.;
- (b) packaging materials - production of corrugated cartons as well as plastic pails/buckets and nylon bags; and
- (c) properties - leases out properties based on intercompany arrangements

**2.4 Foreign currency translation**

*(a) Functional and presentation currency*

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

*(b) Transactions and balances*

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



**FMF FOODS LIMITED AND SUBSIDIARIES**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**2.4 Foreign currency translation (Cont'd)**

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

**2.5 Financial assets**

*(i) Classification*

The Group classifies its financial assets at amortised cost.

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

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

*(ii) Recognition and measurement*

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

A financial asset is measured at amortised cost if it meets both of the following conditions:

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

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

**FMF FOODS LIMITED AND SUBSIDIARIES**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**2.5 Financial assets (Cont'd)**

*(iii) Impairment of financial assets*

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

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

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

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

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

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

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

*(iv) Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. For individual customers, the Group makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**2.6 Cash and cash equivalents**

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

**FMF FOODS LIMITED AND SUBSIDIARIES**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**2.7 Trade receivables**

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

**2.8 Inventories**

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

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

**2.9 Property, plant and equipment**

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

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

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

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

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

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

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

**FMF FOODS LIMITED AND SUBSIDIARIES**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**2.10 Impairment of non-financial assets**

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

**2.11 Financial liabilities**

*(i) Classification and subsequent measurement*

Financial liabilities are classified at amortised costs, except for:

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

*(ii) Derecognition*

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expired). The Group also derecognises as financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**2.12 Trade payables**

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

**2.13 Borrowings**

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**FMF FOODS LIMITED AND SUBSIDIARIES**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**2.14 Offsetting financial instruments**

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

**2.15 Current and deferred income tax**

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

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

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

**2.16 Provisions**

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

**2.17 Share capital**

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

**2.18 Revenue recognition**

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

The Group's revenues consist of sale of food products and packaging materials and associated freight charges. Revenue is recognised at a point in time upon the passing of control of goods to the customer. 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 shipping terms with the customer.

The Group arranges for shipping of goods to its export customers. The Group has assessed that control over goods does not pass to the customer before shipment, and therefore records any applicable freight charges at a point in time when control of the goods transfers to the customer in accordance with shipping terms with the customer.

**FMF FOODS LIMITED AND SUBSIDIARIES**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**2.18 Revenue recognition (Cont'd)**

Revenue transactions are settled in one of the following three ways:

- (a) Cash on delivery - Customers are mostly counter customers who come to buy the goods from the Group's premises by themselves and are not bonded by any contract apart from the requirement to pay before taking possession of the goods and to take those goods on the same day before close of business.
- (b) Advance paying customers - similar treatment to cash on delivery customers.
- (c) Credit customers - Customers purchase goods on credit account and shall pay in full at the approved credit period which is normally 30 to 60 days. The maximum credit limit is mutually agreed between the Group and the customer at the time of application for credit account, however the Group reserves the right to vary the credit limit at its discretion.

**2.19 Leases and right-of-use assets**

*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 Group 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 at the Group's incremental borrowing rate.

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.

**FMF FOODS LIMITED AND SUBSIDIARIES**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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

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

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

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

**Extension options**

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

**Critical judgements in determining the lease term**

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

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

*As a lessor*

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

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

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

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

The Group's leasing activities are carried out by its subsidiary, FMF Investment Company Pte Limited, which also leases property to other subsidiaries within the Group. Revenue and expenses associated with leasing activities are eliminated on consolidation.

**FMF FOODS LIMITED AND SUBSIDIARIES**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**2.20 Employee benefits**

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

**2.21 Dividend distribution**

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

**2.22 Earnings per share**

*Basic earnings per share*

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

*Diluted earnings per share*

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

**2.23 Comparative figures**

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

**3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

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

Except for allowance for impairment of financial assets carried at amortised cost (Note 2.5), the Group does not have any significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.



**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**4 FINANCIAL RISK MANAGEMENT**

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

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

**(a) Market risk**

*Foreign exchange risk*

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

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

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

As at year end, assets and liabilities denominated in foreign currencies are not significant and hence changes in foreign currencies by 100 basis points is expected to have minimal impact on profit or loss.

**Exposure**

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Fijian dollars, was as follows:

	<b>2021</b>			<b>2020</b>		
	<b>USD \$'000</b>	<b>AUD \$'000</b>	<b>NZD \$'000</b>	<b>USD \$'000</b>	<b>AUD \$'000</b>	<b>NZD \$'000</b>
Trade receivables	558	3,565	578	815	2,443	406
Trade payables	(6,075)	(7,268)	(722)	(1,712)	(3,398)	(337)

**Sensitivity**

As shown above, the group is primarily exposed to changes in FJD/USD and FJD/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from the above foreign currency denominated trade payables and receivables.

	<b>Impact on post-tax profit</b>			
	<b>2021</b>		<b>2020</b>	
	<b>USD \$'000</b>	<b>AUD \$'000</b>	<b>USD \$'000</b>	<b>AUD \$'000</b>
Exchange rate – increase 10% (2020 – 10%)	286	259	44	70
Exchange rate – decrease 10% (2020 – 10%)	234	212	36	57

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**4 FINANCIAL RISK MANAGEMENT (Cont'd)**

**(a) Market risk (Cont'd)**

*Interest rate risk*

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

As at 30 June 2021, if interest rates on borrowings and bank overdrafts had been 1,000 basis points higher/lower with all other variables held constant, post-tax profit and equity for the year would have been \$149k (2020: \$222k) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings and bank overdraft.

**(b) Credit risk**

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

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

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

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

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

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Cash</b>		
Bank A	23,141	22,025

Bank A - The Group has cash with the Fiji branch as well as the Australian branch and Papua New Guinea branch of an international bank which has a Moody's credit rating of Aa3 (2020: Aa3).

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Other investments</b>		
Bank B	13,880	11,551
Bank C	-	531
	<u>13,880</u>	<u>12,082</u>

**FMF FOODS LIMITED AND SUBSIDIARIES****NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021****4 FINANCIAL RISK MANAGEMENT (Cont'd)****(b) Credit risk (Cont'd)**

Bank B - The Group has other investments with the Fiji branch of an international bank which had a Moody's credit rating of Baa3 (2020: Baa3).

Bank C - The Group had other investments with the Fiji branch of an international bank which has a Fitch credit rating of A+ (2020: A+).

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

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

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

	<b>2021</b>		
	<b>Expected weighted average loss rate</b>	<b>Gross carrying amount \$'000</b>	<b>Allowance for impairment \$'000</b>
Current	1.95%	22,682	443
31 to 60 days overdue	4.09%	4,993	204
61 to 90 days overdue	11.75%	1,557	183
91 to 120 days overdue	30.05%	227	68
Over 120 days overdue	38.10%	757	288
Debtors individually assessed	100.00%	683	683
		<b>30,899</b>	<b>1,870</b>
	<b>2020</b>		
	<b>Expected weighted average loss rate</b>	<b>Gross carrying amount \$'000</b>	<b>Allowance for impairment \$'000</b>
Current	2.45%	15,788	387
31 to 60 days overdue	4.06%	3,512	142
61 to 90 days overdue	6.06%	1,146	70
91 to 120 days overdue	30.98%	262	81
Over 120 days overdue	73.62%	428	315
Debtors individually assessed	42.20%	3,459	1,460
		<b>24,595</b>	<b>2,455</b>

The amounts owing by the related companies are in trade nature and exposure to credit risk and expected credit losses are separately assessed and no provisions are held at the year end (2020: \$Nil).

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**4 FINANCIAL RISK MANAGEMENT (Cont'd)**

**(b) Credit risk (Cont'd)**

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

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
At 1 July	2,455	2,123
Increase in loss allowance recognised in profit or loss during the year	869	476
Bad debts written-off	(1,454)	(144)
At 30 June	<u>1,870</u>	<u>2,455</u>

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

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

In calculating the expected credit loss, the Group has applied a post model adjustment due to the market uncertainties involved with COVID-19 pandemic. Determining the post-model adjustment is judgemental. The rate is derived from the recent market behaviour and the customer payment and collection patterns.

At the end of reporting period, the post-model adjustment for the Group was 1% of gross collectively assessed trade receivables (2020: 1%).

**(c) Liquidity risk**

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

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

	<b>Contractual maturities of financial liabilities</b>					<b>Carrying amount \$'000</b>
	<b>Up to 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	
<b>As at 30 June 2021</b>						
Bank overdraft	26,264	-	-	-	26,264	26,264
Borrowings	2,533	2,443	6,801	2,836	14,613	9,261
Trade and other payables	19,546	-	-	-	19,546	19,546
Owing to related companies	3,441	-	-	-	3,441	3,441
Lease liabilities	646	588	309	7,374	8,917	2,260
<b>Total</b>	<b>52,430</b>	<b>3,031</b>	<b>7,110</b>	<b>10,210</b>	<b>72,781</b>	<b>60,772</b>

**NOTES TO AND FORMING PART OF  
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FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**4 FINANCIAL RISK MANAGEMENT (Cont'd)**

**(c) Liquidity risk (Cont'd)**

	<b>Contractual Undiscounted Cash Flows</b>					<b>Carrying amount \$'000</b>
	<b>Up to 1 year \$'000</b>	<b>1 to 2 years \$'000</b>	<b>2 to 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Total \$'000</b>	
<b>As at 30 June 2020</b>						
Bank overdraft	42,936	-	-	-	42,936	42,936
Borrowings	2,533	2,443	6,801	2,836	14,613	12,749
Trade and other payables (Restated)	12,311	-	-	-	12,311	12,311
Owing to related companies (Restated)	1,637	-	-	-	1,637	1,637
Lease liabilities	412	266	544	7,665	8,887	2,768
<b>Total</b>	<b>59,829</b>	<b>2,709</b>	<b>7,345</b>	<b>10,501</b>	<b>80,384</b>	<b>72,401</b>

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

**d) Regulatory risk**

The Group's profitability can be significantly impacted by regulatory agencies established which govern the business sector in Fiji. Specifically retail and wholesale prices are regulated by Fijian Competition & Consumer Commission.

**5 CAPITAL RISK MANAGEMENT**

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

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt. During 2021, the Group's strategy, which was unchanged from 2020 was to maintain a gearing ratio of up to 30%.

The gearing ratio for the Group was as follows:

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Total borrowings (Note 22)	9,261	12,749
Cash and cash equivalents (Note 12)	3,123	20,911
Net debt	12,384	33,660
Equity (as shown in the statement of financial position, including NCI)	149,338	145,277
Total capital	161,722	178,937
Gearing ratio	8%	19%

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**5 CAPITAL RISK MANAGEMENT (Cont'd)**

**Debt covenants**

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- the interest coverage ratio must be more than 2.5 times, and
- the ratio of total debt to EBITDA must be not more than 3.5 times.

These financial covenants are consistent with the prior period and managed as part of the Group's capital management. The Group has complied with all its externally imposed capital requirements in the current and prior period.

**6 REVENUE**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<i>By category</i>		
Sales of food products	211,766	199,424
Sales of packaging materials	5,555	5,461
	<u>217,321</u>	<u>204,885</u>

**7 OTHER OPERATING INCOME**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Gain on disposal of property, plant and equipment	32	93
Exchange gains	736	688
	<u>768</u>	<u>781</u>

**8 NET FINANCE INCOME AND COST**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Finance income</b>		
Interest income on term deposits	1,009	253
Interest income on customer overdue accounts	83	150
	<u>1,092</u>	<u>403</u>
<b>Finance costs</b>		
Interest expense on lease liabilities	(300)	(123)
Interest expense on overdraft and borrowings	(745)	(1,543)
	<u>(1,045)</u>	<u>(1,666)</u>
Net finance income/ (cost)	<u>47</u>	<u>(1,263)</u>

**9 PROFIT BEFORE TAX**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Included in profit before tax are the following items of revenues and expenses:		
<b>Expenses</b>		
Auditors' remuneration		
- PricewaterhouseCoopers (Principal auditors)	84	113
- Other auditors	34	32
Directors' emoluments		
- Directors' fees	38	40
Repairs and Maintenance	3,945	4,652
Advertising	1,193	2,115
Net foreign exchange losses	327	139
Cartage expenses	3,316	3,350

**FMF FOODS LIMITED AND SUBSIDIARIES****NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021****10 INCOME TAX EXPENSE**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Current tax:		
Current tax on profits for the year	1,114	1,452
Adjustments in respect of prior year	(26)	(366)
Total current tax	1,088	1,086
Deferred tax:		
Origination and reversal of temporary differences	316	436
Adjustments in respect of prior year	-	544
Total deferred tax	316	980
Income tax expense	1,404	2,066

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

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Profit before tax	10,600	14,459
Prima facie income tax expense at 10%/ 20%	1,550	1,746
Tax effects of:		
- Non-deductible and items not subject to tax (net)	(129)	(54)
Tax losses not recognised	(84)	723
Prior year adjustments	67	(349)
<b>Income tax expense</b>	1,404	2,066
Temporary differences	(316)	(980)
	1,088	1,086
Add: Opening current tax assets	(1,650)	(1,430)
Less: Taxes (paid) / refunded	(737)	(1,306)
Current income tax assets	(1,299)	(1,650)

**11 DEFERRED INCOME TAXES****(a) Deferred income tax assets**

	<b>Tax losses \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
At 30 June 2019	427	370	797
Charged/ (credited) to profit or loss statement	(274)	120	(154)
At 30 June 2020	153	490	643
Charged to profit or loss statement	2	222	224
At 30 June 2021	155	712	867

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**11 DEFERRED INCOME TAXES (Cont'd)**

**(b) Deferred income tax liabilities**

	<b>Property, plant &amp; equipment \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
At 30 June 2019	4,311	957	5,268
Charged to profit or loss statement	575	246	821
At 30 June 2020	4,886	1,203	6,089
Charged to profit or loss statement	312	227	539
At 30 June 2021	5,198	1,430	6,628

Unused tax losses of subsidiary for which no deferred income tax asset has been recognised is \$Nil as at 30 June 2021 (2020: \$2.1m).

**12 CASH AND CASH EQUIVALENTS**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Cash on hand and at bank	23,141	22,025

(a) The above reconciles to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Cash on hand and at bank	23,141	22,025
Bank overdraft	(26,264)	(42,936)
Cash and cash equivalents	(3,123)	(20,911)

**(b) Financing facilities**

Bank overdraft facility from ANZ totalling \$29m (2020: \$30m) on net basis is available to the Group and interchangeable amongst the Group companies. Refer to Note 21 for securities provided.

**13 INVENTORIES**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Finished products	7,282	8,936
Raw and packaging materials	29,202	49,147
Spares	4,086	4,123
Work in progress	252	140
(Less): Allowances for inventory obsolescence	(1,861)	(1,008)
	38,961	61,338
Goods in transit	11,441	4,602
	50,402	65,940

**14 TRADE RECEIVABLES**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Gross carrying amount	30,899	24,595
Less: Allowances for impairment	(1,870)	(2,455)
Trade receivables - net	29,029	22,140



**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**15 PREPAYMENTS AND OTHER RECEIVABLES**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Deposits	452	427
Prepayments	2,508	2,740
VAT receivable	3,229	2,067
	<hr/>	<hr/>
Prepayments and other receivables	6,189	5,234

**16 OTHER INVESTMENTS**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Current</b>		
Term deposit	13,880	12,082

**17 INVESTMENTS IN SUBSIDIARIES**

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

	<b>Country of incorporation</b>	<b>% Interest</b>		<b>Principal activities</b>
		<b>2021</b>	<b>2020</b>	
Pea Industries Pte Limited	Fiji	100	100	Pea milling
Biscuit Company of (Fiji) Pte Limited	Fiji	100	100	Biscuit manufacture
DHF Pte Limited	Fiji	100	100	Wheat and bakery ingredients sale
FMF Investment Company Pte Limited	Fiji	100	100	Property management
FMF Snax Pte Limited	Fiji	100	100	Snacks manufacture
Bakery Company (Fiji) Pte Limited	Fiji	100	100	Biscuit manufacture
The Rice Company of Fiji Limited	Fiji	75	75	Rice sale
Atlantic & Pacific Packaging Company Limited	Fiji	60	60	Packaging materials manufacture
FMF Foods PNG Limited	PNG	100	100	Trading
FMF Foods New Zealand Limited	NZ	100	100	Trading
London Pet Food Company Pte Limited	Fiji	100	100	Pet food manufacture

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

(c) The operations of London Pet Food Pte Ltd was discontinued in January 2021.

(d) Material non-controlling interests

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

The total non-controlling interest at year end was \$8.03m (2020: \$7.34m), of which \$3.67m (2020: \$3.66m) was for RCF and \$4.36m (2020: \$3.68m) was attributed to ATPACK.

The profit allocated to non-controlling interest for the year was \$1.40m (2020: \$1.36m), of which \$0.54m (2020: \$0.54m) was for RCF and \$0.86m (2020: \$0.81m) was attributed to ATPACK.

The dividends paid to non-controlling interest during the year was \$0.71m (2020: \$0.71m), of which \$0.53m (2020: \$0.53m) was paid by RCF and \$0.18m (2020: \$0.18m) was paid by ATPACK.

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**17 INVESTMENTS IN SUBSIDIARIES (Cont'd)**

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

**Summarised statements of financial position**

	<b>RCF</b>		<b>ATPACK</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Current</u>				
Assets	22,554	17,867	9,254	6,313
Liabilities	7,895	3,266	2,913	2,145
Current net assets	<u>14,659</u>	<u>14,601</u>	<u>6,341</u>	<u>4,168</u>
<u>Non-current</u>				
Assets	25	41	5,777	6,601
Liabilities	-	-	1,213	1,569
Non-current net assets	<u>25</u>	<u>41</u>	<u>4,564</u>	<u>5,032</u>
Net assets	<u>14,684</u>	<u>14,642</u>	<u>10,905</u>	<u>9,200</u>

**Summarised statements of profit or loss and other comprehensive income**

	<b>RCF</b>		<b>ATPACK</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue	31,439	28,440	13,969	13,955
Profit before income tax	2,380	2,403	2,395	2,252
Income tax expense	(238)	(238)	(250)	(215)
Net profit	<u>2,142</u>	<u>2,165</u>	<u>2,145</u>	<u>2,037</u>
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>2,142</u>	<u>2,165</u>	<u>2,145</u>	<u>2,037</u>

**Summarised cash flows**

	<b>RCF</b>		<b>ATPACK</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash flows from operating activities	(1,221)	3,849	3,013	4,288
Cash flows from investing activities	376	-	(162)	(877)
Cash flows from financing activities	<u>(2,100)</u>	<u>(2,100)</u>	<u>(904)</u>	<u>(884)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(2,945)</u>	<u>1,749</u>	<u>1,947</u>	<u>2,527</u>

**FMF FOODS LIMITED AND SUBSIDIARIES****NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021****18 PROPERTY, PLANT AND EQUIPMENT**

	<b>Buildings \$'000</b>	<b>Freehold land &amp; building \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Plant, furniture &amp; equipment \$'000</b>	<b>Work - in progress \$'000</b>	<b>Total \$'000</b>
<b>At 01 July 2019</b>						
Cost	55,246	862	6,059	122,741	4,721	189,629
Accumulated depreciation	(10,630)	(335)	(4,889)	(85,003)	-	(100,857)
<b>Net book amount</b>	<b>44,616</b>	<b>527</b>	<b>1,170</b>	<b>37,738</b>	<b>4,721</b>	<b>88,772</b>
<b>For the year ended 30 June 2020 (Restated, see note 29)</b>						
Opening net book amount	44,616	527	1,170	37,738	4,721	88,772
Additions	188	-	518	3,993	6,002	10,701
Disposals	-	-	-	-	-	-
Transfers to right-of-use assets	(10,862)	3,681	-	-	-	(7,181)
Transfers	-	-	-	3	(3)	-
Depreciation charge	(990)	(22)	(570)	(6,416)	-	(7,998)
<b>Closing net book amount</b>	<b>32,952</b>	<b>4,186</b>	<b>1,118</b>	<b>35,318</b>	<b>10,720</b>	<b>84,294</b>
<b>At 30 June 2020 (Restated, see note 29)</b>						
Cost	44,572	4,543	6,577	126,737	10,720	193,149
Accumulated depreciation	(11,620)	(357)	(5,459)	(91,419)	-	(108,855)
<b>Net book amount</b>	<b>32,952</b>	<b>4,186</b>	<b>1,118</b>	<b>35,318</b>	<b>10,720</b>	<b>84,294</b>
<b>For the year ended 30 June 2021</b>						
Opening net book amount	32,952	4,186	1,118	35,318	10,720	84,294
Additions	104	4	678	3,658	2,122	6,566
Disposals	-	-	(38)	(381)	-	(419)
Transfers	7,297	-	-	1,053	(8,350)	-
Depreciation charge	(1,235)	(22)	(531)	(6,213)	-	(8,001)
<b>Closing net book amount</b>	<b>39,118</b>	<b>4,168</b>	<b>1,227</b>	<b>33,435</b>	<b>4,492</b>	<b>82,440</b>
<b>At 30 June 2021</b>						
Cost	51,973	4,547	7,217	131,067	4,492	199,296
Accumulated depreciation	(12,855)	(379)	(5,990)	(97,632)	-	(116,856)
<b>Net book amount</b>	<b>39,118</b>	<b>4,168</b>	<b>1,227</b>	<b>33,435</b>	<b>4,492</b>	<b>82,440</b>

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**19 INTANGIBLE ASSETS**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
F1 Audio Visual production	-	1,458
Provision for impairment	-	(1,458)
	-	-

**20 TRADE AND OTHER PAYABLES**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>(Restated) \$'000</b>
Trade payables (Restated, see note 29)	14,173	8,039
Other payables and accruals	4,038	2,308
Staff leave accruals	1,335	1,964
	19,546	12,311

**21 BANK OVERDRAFT AND BORROWING SECURITIES**

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

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

**22 BORROWINGS**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Secured borrowings	2,000	2,000
<b>Non-Current</b>		
Secured borrowings	7,261	10,749
	9,261	12,749

The carrying amounts of borrowings approximate their fair values.

The group borrowings consist of two separate borrowings for a term of ten years:

- a) \$4,416,667 commencing 22 May 2017
- b) \$4,843,878 commencing 1 July 2019

The borrowings are subject to principal and interest payments for the first five years. The terms of the borrowings are subject to re-negotiation after five years, and may be cleared in full, refinanced, or otherwise re-negotiated with the bank.

The security details on borrowings are disclosed in Note 21.

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**23 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

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

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

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

	<b>Land \$'000</b>	<b>Building \$'000</b>	<b>Equipment \$'000</b>	<b>Total \$'000</b>
Balance as at 1 July 2020 (restated, note 29)	8,901	841	12	9,754
Additions	-	241	-	241
Disposal	-	(548)	(4)	(552)
Depreciation charge for the year	(102)	(184)	(8)	(294)
Balance as at 30 June 2021	8,799	350	-	9,149

(b) Lease liabilities included in the statement of financial position as at 30 June 2021 consist of:

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Current	139	303
Non-current	2121	2,465
Total lease liabilities at 30 June	2,260	2,768

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

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Depreciation charge of right-of-use assets	294	525
Interest expense (included in finance cost)	300	123

(d) Cash outflow for leases:

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Repayment of principal lease liabilities	193	219
Interest expense	300	123
Total	493	342

**24 SHARE CAPITAL**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Issued and fully paid:		
150,000,000 ordinary shares	6,000	6,000

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

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**25 DIVIDENDS**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Dividends declared (Dividend per share 2021: \$0.03/ 2020: \$0.02)	5,201	3,701

**26 EARNINGS PER SHARE**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Profit after tax attributable to the owners of the Company	7,802	11,037
Number of ordinary shares issued ('000)	150,000	150,000
Basic and diluted earnings per share (cents)	5.20	7.36

**27 CONTINGENCIES AND COMMITMENTS**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
(a) Liabilities in respect of shipping documents surrendered where suppliers' account not yet credited:		
Letters of credit	5,214	3,378
(b) Guarantees or undertakings given by the banks on behalf of the Group:		
Guarantees and bonds	689	703
(c) Capital commitments		
Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, plant and equipment	1,200	3,000

**28 RELATED PARTIES**

**(a) Directors**

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

- Hari Punja *Order of Fiji, OBE – Chairman Emeritus*
- Ram Bajekal - Chairman (*Appointed on 26th March 2021*)
- Sanjay Punja - Managing Director (*Appointed on 2nd December 2020*)
- Rohit Punja
- Gary Callaghan - *Resigned on 30th November 2020*
- Pramesh Sharma
- Jenny Seeto - *Appointed on 25th March 2021*
- Ajai Punja (Alternate Director to Sanjay Punja)
- Leena Punja (Alternate Director to Rohit Punja)

**(b) Immediate and ultimate holding company**

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

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**28 RELATED PARTIES (Cont'd)**

(c) **Amounts owing by related companies**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Fellow subsidiaries	342	5
	<hr/> 342	<hr/> 5

The receivables from related parties arise mainly from sale transactions and are due within two months of sale. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties (2020: \$Nil).

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>(Restated)</b>
		<b>\$'000</b>
(d) <b>Amounts owing to related companies</b>		
Fellow subsidiaries	70	293
Other related entities	3,371	1,344
	<hr/> 3,441	<hr/> 1,637

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

(e) **Related party transactions**

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>(Restated)</b>
		<b>\$'000</b>
<b>Income</b>		
- Sales to fellow subsidiaries	4	4
<b>Expenses</b>		
- Management fees to penultimate holding company	871	892
- Administrative expenses to penultimate holding company	21	21
- Purchase of consumables from fellow subsidiaries	3,283	3,660
- Purchases of raw materials, consumables and packing materials from other related entities	7,147	15,626
<b>Dividends</b>		
Dividend paid to penultimate holding company	3,232	2,170

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

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

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

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**28 RELATED PARTIES (Cont'd)**

**(f) Key management personnel**

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

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

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and other short term benefits	924	635

**29 PRIOR PERIOD RESTATEMENTS**

- (a) Amounts owing to a related entity of \$1.3Mn, which were previously disclosed under 'Trade payables' have been reclassified to 'Amounts owing to related companies' in accordance with the requirements of IAS8 p.42. Accordingly, trade payable and amounts owing to related companies are restated by the same amount.

Purchases of raw materials, consumables and packing materials from the said related party of \$7.1Mn (2020: \$15.6Mn) have been disclosed under 'Related party transactions' in the current financial period.

- (b) A freehold property amounting to \$6.6Mn, which was previously disclosed as leasehold property, has been transferred from 'Right-of-use assets' to 'Property, plant & equipment' during the year.

**30 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, increase in commodity prices, challenges in supply chain due to logistics delays, working environment & maintaining protocols arising due to COVID-19 pandemic pose some challenges for the businesses.

The Group has considered the possible effects that may result from this pandemic on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has considered internal and external sources of information. Group revenues have increased on the back of increased demand for the Group's staple food products. Revenues for products such as biscuits has decreased, but are expected to rebound as economic conditions normalise. Based on observed trends and current estimates, the Group does not expect any material impact on the carrying amount of these assets and liabilities.



**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**30 IMPACT OF COVID-19 PANDEMIC (Cont'd))**

Continued volatility in the price and availability of raw materials on account of economic conditions, market demand, production levels and logistic challenges could affect the operational and financial performance of the Company. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of laying of these financial statements before the shareholders and the Group will continue to closely monitor any material changes to future economic conditions.

**31 EVENTS SUBSEQUENT TO BALANCE DATE**

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

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

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

**32 REGISTERED OFFICE AND SHARE REGISTER**

**Registered Office**  
2 Leonidas Street

**Share Register**  
Central Share Registry Pte Limited

Walu Bay  
Suva  
Republic of Fiji

South Pacific Stock Exchange  
Shop 1 and 11  
Sabrina Building  
Victoria Parade, Suva.  
Republic of Fiji

**33 SEGMENT INFORMATION**

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

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

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**33 SEGMENT INFORMATION (Cont'd)**

**(b) Primary reporting - business segments 2021**

	<b>Food products \$'000</b>	<b>Packaging materials \$'000</b>	<b>Properties \$'000</b>	<b>Inter-segment elimination \$'000</b>	<b>Total \$'000</b>
External sales	211,766	5,555	-	-	217,321
Inter-segment sales	22,728	8,414		(31,142)	-
Sales	234,494	13,969	-	(31,142)	217,321
Other operating income	7,924	126	3,413	(10,695)	768
	242,418	14,095	3,413	(41,837)	218,089
Changes in inventories of finished goods and work in progress	(1,927)	204	-	-	(1,723)
Raw materials and consumables	(173,054)	(8,059)	-	31,263	(149,850)
Staff costs	(16,776)	(1,373)	-	-	(18,149)
Depreciation/ Amortisation	(9,783)	(1,217)	(750)	3,455	(8,295)
Created of impairment loss on trade receivables	(1,394)	(22)	-	547	(869)
Other operating expenses	(30,221)	(1,248)	(422)	3,241	(28,650)
Segment result before income tax and finance income/(costs)	9,263	2,380	2,241	(3,331)	10,553
Finance Income	1,757	131	362	(1,158)	1,092
Finance cost	(2,232)	(116)	(421)	1,724	(1,045)
<b>Segment profit before tax</b>	8,788	2,395	2,182	(2,765)	10,600
Income tax expense	(709)	(250)	(445)	-	(1,404)
<b>Profit after tax for the year from continuing operations</b>	8,079	2,145	1,737	(2,765)	9,196
Segment assets	200,471	15,031	34,936	(34,567)	215,871
Deferred income tax assets	843	24	-	-	867
<b>Total assets</b>	201,314	15,055	34,936	(34,567)	216,738
Segment liabilities	36,822	3,900	1,956	(17,431)	25,247
Deferred income tax liabilities	3,995	250	2,383	-	6,628
Borrowings	4,417	-	4,844	-	9,261
Bank overdraft	23,654	-	2,610	-	26,264
<b>Total liabilities</b>	68,888	4,150	11,793	(17,431)	67,400
Acquisition of property, plant and equipment	5,819	293	454	-	6,566
Depreciation expense	9,783	1,217	750	(3,455)	8,295
Net cash flows from operating activities	30,932	3,013	2,077	(2,116)	33,906

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS (cont'd)  
FOR THE YEAR ENDED 30 JUNE 2021**

**FMF FOODS LIMITED AND SUBSIDIARIES**

**33 SEGMENT INFORMATION (Cont'd)**

**(b) Primary reporting - business segments 2020**

	<b>Food products \$'000</b>	<b>Packaging materials \$'000</b>	<b>Properties \$'000</b>	<b>Inter- segment elimination \$'000</b>	<b>Total \$'000</b>
External sales	199,424	5,461	-	-	204,885
Inter-segment sales	28,830	8,494		(37,324)	-
Sales	228,254	13,955	-	(37,324)	204,885
Other operating income	8,353	161	3,507	(11,240)	781
	236,607	14,116	3,507	(48,564)	205,666
Changes in inventories of finished goods and work in progress	646	(71)	-	-	575
Raw materials and consumables	(159,725)	(7,615)	-	37,511	(129,829)
Staff costs	(18,750)	(1,478)	-	-	(20,228)
Depreciation/ Amortisation	(10,546)	(1,173)	(574)	3,770	(8,523)
Created of impairment loss on trade receivables	(33,351)	(1,449)	(449)	3,786	(31,463)
Other operating expenses	(477)	1	-	-	(476)
Segment result before income tax and finance income/(costs)	14,404	2,331	2,484	(3,497)	15,722
Finance Income	1,609	30	230	(1,466)	403
Finance cost	(3,187)	(109)	(600)	2,230	(1,666)
<b>Segment profit before tax</b>	12,826	2,252	2,114	(2,733)	14,459
Income tax expense	(1,418)	(215)	(433)	-	(2,066)
<b>Profit after tax for the year from continuing operations</b>	11,408	2,037	1,681	(2,733)	12,393
Segment assets	213,950	12,914	34,164	(37,904)	223,124
Deferred income tax assets	607	36	-	-	643
<b>Total assets</b>	214,557	12,950	34,164	(37,904)	223,767
Segment liabilities	31,665	3,505	2,015	(20,469)	16,716
Deferred income tax liabilities	3,659	245	2,185	-	6,089
Borrowings	6,917	-	5,832	-	12,749
Bank overdraft	40,210	-	2,726	-	42,936
<b>Total liabilities</b>	82,451	3,750	12,758	(20,469)	78,490
Acquisition of property, plant and equipment	7,501	931	2,269	-	10,701
Depreciation expense	10,546	1,173	574	(3,770)	8,523
Net cash flows from operating activities	1,872	4,288	2,161	(1,984)	6,337

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

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

<b>NAME</b>	<b>Number of Shares</b>	<b>%</b>
HARI PUNJA & SONS PTE LIMITED	106,124,847	70.75
FIJI NATIONAL PROVIDENT FUND BOARD	6,675,157	4.45
BSP LIFE (FIJI) LIMITED	5,669,597	3.78
UNIT TRUST OF FIJI (TRUSTEE COMPANY) LTD	5,187,006	3.46
FHL TRUSTEES LTD ATF FIJIAN HOLDINGS UNIT TRUST	2,976,355	1.98
GARY CALLAGHAN	1,700,225	1.13
CARLISLE (FIJI) LIMITED	1,487,240	0.99
FIJIAN HOLDINGS LTD	1,298,200	0.87
JITENDRA KUMAR M NARSEY	1,090,450	0.73
HARIGANGA RATANJI	707,775	0.47
VENILAL MAGANLAL NARSEY	675,950	0.45
BECHARBHAI HOLDINGS LTD	499,950	0.33
JITENDRA THAKORLAL NARSEY	388,437	0.26
KANTI LAL PUNJA	375,000	0.25
HARI KRISHNA NARSEY	369,937	0.25
INDRAVADAN NARSEY	369,937	0.25
BIPIN CHANDRA	318,700	0.21
LAKSHMIKANT DHARAMSI SAMPAT	300,000	0.20
SHANTILAL PATEL	279,900	0.19
SURESH CHANDRA	274,950	0.18
VIJAY KUMAR	274,950	0.18
VIJAYKUMAR PATEL	274,950	0.18

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

Distribution of ordinary shareholders:

<b>No. of Shareholders</b>	<b>Shareholding</b>	<b>Total % Holding</b>
28	0 to 500 shares	0.01
111	501 to 5,000 shares	0.25
67	5,001 to 10,000 shares	0.38
72	10,001 to 20,000 shares	0.77
40	20,001 to 30,000 shares	0.67
17	30,001 to 40,000 shares	0.43
22	40,001 to 50,000 shares	0.72
33	50,001 to 100,000 shares	1.82
44	100,001 to 1,000,000 shares	6.82
9	Over 1,000,000 shares	88.13
<b>443</b>	<b>Total</b>	<b>100.00</b>

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

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

<b>Name of Director</b>	<b>Number of Meetings Held</b>	<b>Number of meetings attended</b>	<b>Apologies</b>
Mr. Hari Punja (Chairman Emeritus <i>w.e.f 25th March 2021</i> )	3	1	2
Mr. Ram Bajekal (Chairman <i>w.e.f 26th March 2021</i> )	4	4	N/A
Mr. Sanjay Punja - Managing Director ( <i>Appointed on 2nd December 2020</i> )	3	3	N/A
Mr. Rohit Punja	4	3	1
Mr. Gary Callaghan (Independent Director) - <i>Resigned on 30th November 20</i>	1	1	N/A
Mr. Pramesh Sharma (Independent Director)	4	4	N/A
Ms. Jenny Seeto (Independent Director) - <i>Appointed on 25th March 2021</i>	2	2	N/A
Mr. Ajai Punja (Alternate Director to Sanjay Punja)	1	-	1
Ms. Leena Punja (Alternate Director to Rohit Punja)	4	4	N/A
<b>Audit &amp; Finance Sub-Committee</b>			
Ms. Jenny Seeto (Chairperson)- <i>Appointed on 25th March 2021</i>	-	-	N/A
Mr. Gary Callaghan- <i>Resigned on 30th December 2020</i>	1	1	N/A
Mr. Rohit Punja	3	2	N/A
Mr. Ram Bajekal	3	3	N/A

**(d) Disclosure under section 51.2 (x):**

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

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

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

	<b>Food products \$'000</b>	<b>Packaging materials \$'000</b>	<b>Properties \$'000</b>
Turnover	125,013	13,969	-
Other income	1,729	257	3,775
	<u>126,742</u>	<u>14,226</u>	<u>3,775</u>
Depreciation	(3,605)	(1,217)	(750)
Interest expense	(1,148)	(116)	(421)
Other expenses	<u>(116,518)</u>	<u>(10,498)</u>	<u>(422)</u>
Profit before tax	5,471	2,395	2,182
Income tax expense	<u>(599)</u>	<u>(250)</u>	<u>(445)</u>
Net profit after tax	<u>4,872</u>	<u>2,145</u>	<u>1,737</u>
Total assets	<u>96,250</u>	<u>15,055</u>	<u>34,936</u>
Total liabilities	<u>42,112</u>	<u>4,150</u>	<u>11,793</u>
Shareholders' equity	<u>54,138</u>	<u>10,905</u>	<u>23,143</u>

**(e) Disclosure under Section 51.2 (xiv):**

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

	<b>2021 \$'000</b>	<b>2020 \$'000</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Net Profit after Tax	9,196	12,393	6,826	8,490	16,893	17,586
Current Assets	124,282	129,076	114,505	95,056	106,712	107,490
Non - Current Assets	92,456	94,691	92,088	85,131	84,077	70,907
Total Assets	216,738	223,767	206,593	180,187	190,789	178,397
Current Liabilities	51,390	59,187	57,734	33,156	45,898	52,378
Non -Current Liabilities	16,010	19,303	12,268	13,022	16,119	11,181
Total Liabilities	67,400	78,490	70,002	46,178	62,017	63,559
Shareholders' Equity	149,338	145,277	136,591	134,009	128,772	114,838

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

**Dividend declared per share:**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Cents per share</b>	3.00	2.00	2.00	1.73	1.40	1.20

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

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

**Group earnings per share:**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Cents per share</b>	5.20	7.36	3.53	4.97	10.45	11.30

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

**Group net tangible assets per share:**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Cents per share</b>	99.56	96.85	91.06	89.34	85.85	76.56

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

<b>Share price during the year</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Highest	2.12	2.19
Lowest	2.09	1.90
On 30th June	2.09	2.11

# PROXY FORM

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

Name of the Member: \_\_\_\_\_

Registered Address: \_\_\_\_\_

SIN: \_\_\_\_\_

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

1. Name \_\_\_\_\_, of \_\_\_\_\_

or failing that;

2. Name \_\_\_\_\_, of \_\_\_\_\_

as my/our proxy to attend and vote on a show of hands and poll on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, November 12, 2021 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution/ Agenda Item No.	Business / Resolution	*Optional [Mark X]		
		For	Against	Abstain
	<b>Ordinary Business</b>			
1.	Consideration of Financial Statements			
2.	Confirmation of Interim Dividend			
3 (a)	Re-appointment of Director - Mr. Rohit Punja			
3 (b)	Re-appointment of Director - Mr. Sanjay Punja			
3 (c)	Re-appointment of Director - Ms. Jenny Seeto			
4	Re-appointment of Auditors : - M/s. PricewaterhouseCoopers			

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, Annexure K - "Appointment of Corporate Representative" should be filled in. If the Corporate Representative wishes to appoint a Proxy, this Form must be duly filled in.
4. This Proxy Form must be received by the Company at P.O.Box No.977, Leonidas Street, Walu Bay, Suva, Fiji or email to [sandeepk@fmf.com.fj](mailto:sandeepk@fmf.com.fj) before **11.00 a.m, November 10, 2021**, 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.

**For office use only:**

Proxy received on .....at .....am / pm by .....

## APPOINTMENT OF CORPORATE REPRESENTATIVE

[Pursuant to Section 160 of Companies Act 2015]

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

*Insert the name of the body corporate making the appointment*

Hereby appoints

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

to act as its representative at  all meetings **OR**  the meeting to be held on  
 \_\_\_\_\_ (Date)

Of

**FMF FOODS LIMITED**

SIGNATURES- THIS MUST BE COMPLETED

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

### Information

In order to be effective, the form must be received by Company at P.O.Box No.977, Leonidas Street, Walu Bay, Suva, Fiji or email to [sandeepk@fmf.com.fj](mailto: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 may be 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.

**For office use only:**

Form received on .....at .....am / pm by .....

## PRE-REGISTRATION FORM FOR AGM / 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:

☐ **Physical attendance** *(limited to the first thirty registering for physical attendance, due to COVID-19 protocols)*

☐ **On-line attendance**

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\*: \_\_\_\_\_

Identification Card (Voter ID/ Driving License /Passport) /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:

1. A valid identification card is required to be presented for purposes of verification of the Attendee.
2. A Member choosing to participate in the meeting physically in person must produce his/her COVID-19 vaccination card at the venue.
3. A Member who prefers to attend the meeting via the on-line facility will be emailed the on-line participation link separately.
4. 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.
5. Photographic, sound and/or video recordings of the Company's AGM proceedings may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Company's AGM.
6. Members attending on-line and wishing to ask questions or make comments during the meeting would have to use the 'raise hands' and 'chat box' feature in the VC platform.

**NOTE:** Members are requested to email this duly completed Pre-registration Form to [sandeepk@fmf.com.fj](mailto:sandeepk@fmf.com.fj) before 5pm of 8<sup>th</sup> November 2021.