A PROMISE OF QUALITY

FMF FOODS LIMITED

(Formerly Flour Mills of Fiji Limited)

ANNUAL REPORT 2022

October 13, 2022

Dear Shareholder

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

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

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

The completed form could be returned to us as follows:

a) Scanned and emailed to swastikap@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

Swastika Prasad
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 Madam,

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

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

SIN ____________________

Name of the Sole / First Shareholder :____

Name of the Joint Shareholders (if any) : ____

____

No. of shares held :____

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

Date:

Place: Signature: ___________________________

(Sole/ First Shareholder)

FMF FOODS LIMITED

Contents

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 – *Director*

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

GROUP FINANCIAL CONTROLLER & COMPANY SECRETARY

Ms. Swastika Prasad

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: swastikap@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 50th Annual General Meeting (AGM) of FMF Foods Limited will be held on **Friday, November 4, 2022** at **11.00 a.m.**, at the Training Room, Atlantic & Pacific Packaging Company Limited, Leonidas Street, Walu Bay, Suva, Fiji.

The physical presence of all attendees will be accommodated within the venue's COVID-19 protocols. Shareholders who wish to attend in person will be permitted 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 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 swastikap@fmf.com.fj no later than 5 p.m. October 31, 2022.

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

1. To receive and consider the consolidated financial statements of the Group for the year ended June 30, 2022, including the audited statement of financial position as at June 30, 2022, 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.

2. To confirm declaration of Interim Dividend of 3.00 cents per equity share, declared by the Company on 24 March 2022 for the financial year ended on June 30, 2022.

3. To appoint a Director in place of Mr. Ram Bajekal, who retires by rotation. Being eligible, he has offered himself for re-appointment as a Director of the Company in accordance with Article 52 of the Articles of Association of the Company. Accordingly, to consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

   "Resolved that pursuant to Article 52 of the Articles of Association of the Company, Mr. Ram Bajekal be and is hereby re-appointed a Director of the Company liable to retire by rotation."

4. To accept the retirement of Mr. Pramesh Sharma as Director of the Company. Mr Sharma who retires by rotation in accordance with Article 52 of the Articles of Association of the Company and although eligible for re-appointment, does not wish to seek re-election. Accordingly, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

   "RESOLVED that Mr. Pramesh Sharma's retirement as a Director be accepted and the vacancy so caused on the Board of the Company, be not filled in this annual general meeting of the Company."

5. To appoint Mr. Ajai Punja as a Director of the Company who was appointed as an Additional Director of the Company in accordance with Article 53 of the Articles of Association of the Company, with effect from December 6, 2021, and holds office up to the date of this AGM. Accordingly, 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. Ajai Punja be and is hereby appointed a Director of the Company liable to retire by rotation.

6. 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**

Swastika Prasad
Company Secretary

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

October 13, 2022

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

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, 2022 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

The interim dividend of 3.00 cents per share declared by the Company on March 24, 2022 for the financial year ended on June 30, 2022 be ratified by the shareholders of the Company.

Item No.3

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. Ram Bajekal would retire by rotation and is eligible to be re-elected.

Mr. Ram Bajekal is a Chartered Accountant from India, a Fulbright Fellow in Management Studies from the Tepper School of Business, Carnegie Mellon University, Pittsburgh, USA, and has more than four decades of experience in corporate management. Mr. Bajekal currently serves the Company as the Chairman and was also associated with the Company in the capacity of Managing Director and Chief Executive Officer during the period 2009 till 2021 and has significantly contributed to the growth of the Company and the Group.

The Board recommends that Mr. Ram Bajekal be re-appointed as Director of the Company as it considers that the nominee possesses attributes necessary for the development and growth of the Company.

Item No.4

Mr. Pramesh Sharma has been serving as a Non-Executive Independent Director on the Board of the Company since November 2010 and has contributed immensely during his tenure as Director and his long association with the Company. In accordance with Article 52 of the Articles of Association of the Company, Mr. Pramesh Sharma retires by rotation at this Annual General Meeting. Although being eligible for re-appointment, he has expressed his desire not to be re-appointed owing to his other commitments. Consequently, he has not offered himself for re-appointment at this AGM. Accordingly, Mr. Pramesh Sharma would cease to hold office as a Director of the Company at the conclusion of this AGM. The Board of Directors has decided that the vacancy caused in the position of Mr. Pramesh Sharma be not filled for the time being in this AGM.

The Board of Directors places on record their sincere appreciation to the immense contribution, advice and guidance extended by Mr. Pramesh Sharma to the Board and the Management of the Company during his long association with the Company. He has contributed significantly towards high governance standards and practices.

The Board recommends the resolution for approval by the Shareholders.

Item No.5

Mr. Ajai Punja was appointed by the Board of Directors as an Additional Director of the Company with effect from December 6, 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. Ajai Punja was educated at New South Wales Institute of Technology, Australia, specializing in Marketing & Commerce and has vast experience in the commercial sector spanning over 25 years. Mr. Ajai Punja holds Directorship in various companies including Fiji Television Limited, Petroleum & Gas Company (Fiji) Pte Ltd., Techno Fiji Pte Ltd.

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

Item No.6

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,

Greetings to you all.

I take great pleasure in once again addressing you, our Shareholders, as Chairman of your company to discuss the financial performance and results for the year ended 30th June 2022.

Throughout the year, we continued to execute our brand growth strategy which delivered incremental growth in various categories while substantially increasing our market share. The Company's operating performance improved in the financial year under review, recording a sales growth of 15% to $250.4 m from $217.3 m last year. The increase in volumes were achieved mainly in wheat sales, flour, rice, peas, snacks and packaging materials, while a marginal drop was noted in biscuit sales.

The underlying profit also increased by 7% to $9.9 m from $9.2 m last year. This represented a good outcome despite economic recovery being impacted by the third wave of the COVID-19 pandemic in the earlier part of the financial year and later the Russian invasion of Ukraine. The geo-political turbulence arising from this invasion, and continuing supply chain disruptions impacted companies and economies more vulnerable to commodity prices, with spiraling raw material costs. These inflationary pressures resulted in increased costs and a preference for products at lower price points.

Your Company is weathering these unprecedented challenges by focusing on the strategic pillars of cost efficiency programs, innovation, brand building and efficient distribution in order to sustain growth and profitability. Judicious price increases were also actioned to mitigate the effects of rising commodity prices and supply chain costs.

The Company has maintained the dividend of 3 cents per share, on par with last year's dividend, resulting in an outflow of $4.5 m.

Outlook

The Fijian economy is on its way to recovery as a rebound in tourism and other key economic sectors continues to positively influence consumption and investment related activities. The country's financial sector which experienced near all-time low interest rates is also showing growth with lending to the private sector showing an upward trend. The labour market is seeing a sharp increase in number of jobs advertised as a consequence of both, the economic recovery as well as a spurt in Fijians taking up jobs in Australia and New Zealand under the Pacific Labour Mobility Schemes. This, plus the +40% increase in minimum wage mandated by the Government and set for final implementation by January 2023 is likely to see pressure on talent as well as increased wage costs.

However, while local trade indicators build momentum towards economic recovery, global events will continue to impede the same. Trading conditions are likely to be challenging throughout 2023 as the world continues to come through the post effects of the COVID-19 pandemic, the Russia-Ukraine war and consequent economic aftershocks including high inflation.

Your Company is well prepared to meet these challenges through a combination of effective product pricing and the delivery of cost savings. Moreover, the company enters 2023 with good momentum and with a clear set of strategic choices that the Board is confident will help deliver another positive year of top-line and bottom-line growth for the Company.

This will not be possible without the efforts of our management and employees. Their enthusiasm, hard work and ingenuity will be a key driver in our journey for year 2023. On behalf of the Board, I would like to firstly compliment and thank the team, led admirably by Managing Director Mr Sanjay Punja, for their exemplary dedication and effort in achieving year 2022 results and invite them on our journey for 2023.

I would also 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.

Finally, on behalf of all stakeholders in the Group, I would like to express my sincere gratitude to Mr. Pramesh Sharma who is retiring from the Board after over a decade of dedicated service. He has been a valuable Board member and has contributed immensely to the success of the Group during his long association. We wish him continued success in his future endeavours.

Sincerely,

Ram Bajekal
Chairman

October 12, 2022

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 30th June, 2022

Principle	Requirement	Compliance Status
1. Establish clear responsibilities for board oversight	Separation of duties: Clear Separation of duties between Board and Senior Management.	Scripted in Board charter.
	Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board.	In place.
2. Constitute an effective Board	Board Composition: Balanced Board Composition with Executive and Non-Executive directors of which 1/3rd of total number of directors to be independent directors.	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 two female directors, an Independent and an Alternate Director. The Board endeavours to have a gender diverse composition whilst ensuring that its skill sets are also diverse enough to allow objective and meaningful deliberations.
	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.	Considering its size, the Board directly manages this function. The Board is actively involved in ensuring good and strategic membership representation is on the Board. Rotation of Directors is done in accordance with Articles of Association.
	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, through the Chair, reviews this regularly.
	Directors Training: Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.	A formal induction process, as per the Charter, is being followed.
	Board Sub-committees: Board must have sub-committees which must at a minimum include - • Audit Committee; • Risk Management Committee; and • Nomination Committee/Recruitment Committee.	The Board has an Audit and Finance Sub-Committee which oversee the Risk Management framework. At present, the Board discharges function of recruitment.

Principle	Requirement	Compliance Status
3. Appointment of Chief Executive Officer/Managing Director	CEO: To appoint a suitably qualified and competent Chief Executive Officer/ Managing Director	Complied.
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.	Complied with a recently appointed Company Secretary who meets all requirements and is fully endorsed by the Board.
5. Timely and balanced disclosure	Annual Reports: Timely and accurate disclosures are made in Annual reports as per Rule 51 of Listing Rules.	All relevant disclosures as mandated under the SPX Listing Rules and have been complied with.
	Payment to Directors and Senior management: Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.	Relevant disclosures are made in the Annual Accounts.
	Continuous Disclosure: General disclosures or company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.	All relevant disclosures and announcements are made in accordance with the SPX Listing Rules.
6. Promote ethical and responsible decision-making	Code of Conduct: To establish a minimum Code of Conduct of the listed entity applicable to directors, senior management and employees and conduct regular trainings on the same.	Code of Ethics and code of conduct outlines how employees should conduct/ behave themselves and provide specific guidance for handling issues like harassment, work ethics, safety matters, conflict of interest. This policy is explained and made aware to all employees right from induction after joining and is further outlined in the employment contracts. Further, the Board Charter provides the Code of Ethics to be followed by Directors.
7. Register of Interests	Conflicts of Interest: Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.	The Company maintains a Register of Interest wherein the interests of Directors are noted. This also forms part of the agenda at every Board meeting. Further, there is a specific policy in place on conflict of interest signed by the employees.
8. Respect the rights of shareholders	Communication with shareholders: To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.	The Board aims to ensure and promotes effective communication with shareholders, principally through issuing market announcements of material information through SPX, publishing half-yearly unaudited financials, audited annual financial accounts, annual report including notices of general meetings along with explanatory statement and resolutions passed during general meeting. Shareholders are invited to participate in general meetings and are

Principle	Requirement	Compliance Status
		given an opportunity to communicate with the Board of Directors in that forum.
	Website: To create and maintain a Website of the listed entity to communicate effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the Website.	Website in place www.fmf.com.fj
	Grievance Redressal Mechanism: To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.	There is an Investor Grievance Redressal Policy in place. The Company Secretary acts as the Compliance Officer for this Policy.
	Shareholders' Complaints: To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.	There were no complaints received during the year. Any shareholder complaint would be managed effectively and in a timely manner through the Company Secretary and escalated to the Chair.
	Corporate Sustainability: To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social, economic, and environmental impacts.	The company's vision statement and its policies are aligned to this. This is periodically reviewed as there are changes to respective corporate objectives.
9. Accountability and audit	Internal Audit: To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.	The company has an in-house internal audit and risk department which evaluates and improve the effectiveness of the Company's governance, risk management and internal control processes. The Head of Internal Audit & Risk reports to the Audit & Finance Sub-Committee which also oversees risk. The Chair of the Sub-Committee is a Board member and the committee comprises of the full Board.
	External Audit: To appoint an external auditor who reports directly to the Board Audit Committee.	The external auditors are appointed by the company in its annual general meeting. The Audit and Finance Sub-Committee is responsible for overseeing the financial reporting and disclosure process, performance and independence of the external auditors.
	Rotation of External Auditor: To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.	The signing partner of the external auditors rotates every five years. The Auditors are appointed annually through the AGM.
	Audit Committee: To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.	Audit and Finance Sub Committee comprises of three Directors and is chaired by an independent director.

Principle	**Requirement**	**Compliance Status**
10. Risk Management	Risk Management Policy: To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit committee, management and internal audit function.	The company has a Risk Management Policy in place. The Board is responsible for oversight and monitoring the effectiveness of risk management by the business and ensuring that appropriate internal control mechanisms are in place. The senior management is responsible for implementing policies and procedures to ensure that key business and operational risks are identified and appropriate controls are implemented to ensure adequate reporting, management and mitigation of those risks.
	Whistle Blower Policy: As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behavior, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act.	Whistle Blower Policy in place in addition to Policies which relate to reportable behaviour. The company also has a Policy on Prevention of Insider Trading to manage ethical trading of Company's Securities. This policy is managed through HR and Audit & Finance Sub-Committee, respectively.

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 2022 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
- Sanjay Punja - Managing Director
- Rohit Punja
- Pramesh Sharma
- Jenny Seeto
- Ajai Punja - *Appointed on 6th December 2021*
- 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, egg trays and bags, manufacturing of biscuits and snack food products, sale of rice, wheat and related products, investments and signage business.

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 $9.9m (2021: $9.2m).

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 (2021: 3.00 cents) entailing outflow of $4.5m (2021: $4.5m). No further dividend is recommended for the financial year ended 30 June 2022.

6 Going concern

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

DIRECTORS' REPORT (Cont'd)

7 Bad and doubtful debts

The Directors took reasonable steps before the financial statements were made out to ascertain that all known bad debts were written off and adequate allowance 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 and Russia-Ukraine Conflict

COVID-19 pandemic continues to result in heightened uncertainty globally across industry segments. Additionally, the Geo-Political tension between Russia and Ukraine is further contributing to the global adversities. There has been significant adverse financial and social impact in Fiji and globally caused by the pandemic and the ongoing Russia-Ukraine conflict. The changes in consumer behaviour, buying patterns, worsening supply chain disruptions, inflationary pressures especially on commodity prices and maintaining safe working environment continues to pose challenges for the businesses. 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 Group. The Group has mitigation controls put in place to overcome these challenges by 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 its assets and liabilities. The Board continues to review the long-term impact of the pandemic and the ongoing Russia-Ukraine conflict and has been taking all steps necessary for the Group to adapt itself to emerging changes.

10 Events subsequent to balance date

In accordance with Income Tax (Rates of Tax and Levies) (Amendment) (No. 2) Regulations 2022, commencing from financial year ending 30 June 2024 (tax year 2023), the company will be subject to corporate income tax at the rate of 20%. Accordingly, the current corporate income tax rate of 10% will increase to 20% from financial year ending 30 June 2024.

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.

12 Other circumstances

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

13 Unusual transactions

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

14 Directors' and executive managements' interests

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

	Beneficially		Non-Beneficially	
	Additions	Holding	Additions	Holding
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 22nd day of September 2022.

....
Director

....
Director

DIRECTORS' DECLARATION

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

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

a) In the opinion of the Directors, the financial statements of the Group for the financial year ended 30 June 2022:

   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 2022 and of the performance and cash flows of the Group for the year ended 30 June 2022; 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 22nd day of September 2022.

....
Director

....
Director

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

As auditor for the audit of FMF Foods Limited and its subsidiaries for the financial year ended 30 June 2022, 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

PricewaterhouseCoopers
Chartered Accountants

Paritosh Deo

Paritosh Deo

Suva, Fiji
23 September 2022

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 2022, 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 financial position of the Group as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 Accountant's Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the consolidated financial statements in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key Audit Matters

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

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

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

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

Key audit matter	How our audit addressed the key audit matter
Impairment of Property, plant and equipment As disclosed in note 18, the Group has recognized property, plant and equipment of $82.8 million. Accounting standards require an entity to assess at the end of each reporting period whether there is any indication that an asset may be impaired. The Group has identified impairment indicators for certain plant and equipment used in the biscuit production lines. For these respective plant and equipment, management has performed value in use calculations to assess whether their associated carrying amounts are recoverable. This area is a key focus of our audit due to the inherent judgement in assumptions used in impairment testing including the uncertainty as to the ongoing impact of global supply chain issues and inflationary pressures on forecast sales, costs and EBITDA margins for the Group's biscuits operation. The key assumptions used in management's discounted cash flow models for the production lines identified to have impairment indicators are sales growth, terminal year, terminal growth rate and discount rate. There was no impairment recorded as a result of the impairment tests carried out by the Group as the recoverable amounts of the respective plant and equipment exceeded the carrying amounts.	Our audit procedures included: • Gaining an understanding of the business process applied by management in preparing the impairment assessment. • Reviewing historical years' sales and profitability against the original budgeted performance to determine the reliability of the budgeting process and considering the impact on forecast performance. • Agreeing forecast future performance included in the impairment assessments to budgets approved by the Board of Directors. • Reviewing key assumptions used in the VIU model in relation to sales growth, costs and EBITDA margins, terminal year sales and EBITDA growth and discount rate, and assessing its reasonableness taking into consideration the strategic and operational initiatives of the Group. • Assessing the appropriateness of the terminal growth and discount rates. • Reviewing the calculation of the carrying amounts of the assets. • Performing a sensitivity analysis over key assumptions to determine whether reasonably possible scenarios would result in impairment of the assets. • Reviewing the financial statements to ensure appropriate disclosure of key assumptions.

Other Information

Directors and management are responsible for the other information. The other information comprises the information included in the Annual Report of the Company, Directors' report and the disclosure requirements of the South Pacific Stock Exchange for the year ended 30 June 2022, 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 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, 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 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 is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

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

- Identify and assess the risks of material misstatement of the 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 represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the 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 directors and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants

Paritosh Deo

Paritosh Deo
Partner

23 September 2022
Suva, Fiji

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

FMF FOODS LIMITED AND SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 $'000	2021 $'000
Revenue	6	250,350	217,321
Other operating income	7	1,327	768
Changes in inventories of finished goods and work in progress		2,662	(1,723)
Raw materials and consumables used		(181,330)	(149,850)
Staff costs		(20,013)	(18,149)
Depreciation on property, plant and equipment	18	(8,287)	(8,001)
Depreciation on right-of-use assets	22	(259)	(294)
Reversal of / (allowance for) impairment loss on trade receivables	4(b)	29	(869)
Other operating expenses		(32,456)	(28,650)
Profit from operations		12,023	10,553
Finance income	8	271	1,092
Finance cost	8	(1,460)	(1,045)
Profit before tax	9	10,834	10,600
Income tax expense	10	(926)	(1,404)
Profit for the year from continuing operations		9,908	9,196
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(49)	66
Total comprehensive income for the year		9,859	9,262
Profit Attributable to:			
- Owners of the parent company		9,348	7,802
- Non-controlling interests		560	1,394
		9,908	9,196
Basic and diluted earnings per share (cents)	25	6.23	5.20

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 2022

	Notes	2022 $'000	2021 $'000
Current assets			
Cash on hand and at bank	12(a)	8,301	23,141
Inventories	13	80,486	50,402
Current income tax assets	10	1,901	1,299
Other investments	16	15,727	13,880
Trade receivables	14	38,396	29,029
Prepayments and other receivables	15	5,631	6,189
Amounts owing by related companies	27(c)	97	342
		150,539	124,282
Non-current assets			
Property, plant and equipment	18	82,801	82,440
Right-of-use assets	22(a)	10,150	9,149
Deferred income tax assets	11(a)	1,179	867
		94,130	92,456
Total assets		244,669	216,738
Current liabilities			
Bank overdraft	12(a)	53,914	26,264
Trade and other payables	19	17,210	19,546
Borrowings	21	1,791	2,000
Lease liabilities	22(b)	99	139
Amounts owing to related companies	27(d)	2,710	3,441
		75,724	51,390
Non-current liabilities			
Borrowings	21	4,278	7,261
Lease liabilities	22(b)	3,293	2,121
Deferred income tax liabilities	11(b)	7,378	6,628
		14,949	16,010
Total liabilities		90,673	67,400
Net assets		153,996	149,338
Equity			
Share capital	23	6,000	6,000
Retained earnings		140,098	135,250
Foreign currency translation reserve		5	54
		146,103	141,304
Non-controlling interests		7,893	8,034
Total equity		153,996	149,338

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 22nd day of September 2022.

.... Director

.... Director

FMF FOODS LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Attributable to owners of the Group					
		Share capital $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Totals $'000	Non - controlling interests $'000	Total equity $'000
Balance at 1 July 2020		6,000	131,948	(12)	137,936	7,341	145,277
Comprehensive income							
Profit for the year		-	7,802	-	7,802	1,394	9,196
Other comprehensive income		-	-	66	66	-	66
Total comprehensive income		6,000	139,750	54	145,804	8,735	154,539
Transactions with owners							
Dividends	24	-	(4,500)	-	(4,500)	(701)	(5,201)
Balance at 30 June 2021		6,000	135,250	54	141,304	8,034	149,338
Comprehensive income							
Profit for the year		-	9,348	-	9,348	560	9,908
Other comprehensive income		-	-	(49)	(49)	-	(49)
Total comprehensive income		6,000	144,598	5	150,603	8,594	159,197
Transactions with owners							
Dividends	24	-	(4,500)	-	(4,500)	(701)	(5,201)
Balance at 30 June 2022		6,000	140,098	5	146,103	7,893	153,996

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 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of value added tax)		236,903	212,609
Payments to suppliers and employees (inclusive of value added tax)		(257,625)	(176,921)
Cash generated from operations		(20,722)	35,688
Income taxes paid		(1,090)	(737)
Interest paid		(1,460)	(1,045)
Net cash generated from operating activities		(23,272)	33,906
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	36
Acquisition of property, plant and equipment (exclusive of value added tax)		(9,123)	(6,566)
Interest received		271	1,092
Acquisition of other investments		(1,847)	(1,798)
Net cash used in investing activities		(10,699)	(7,236)
Cash flows from financing activities			
Repayment of borrowings		(3,192)	(3,488)
Repayment of principal lease liabilities		(126)	(193)
Dividends paid		(5,201)	(5,201)
Net cash used in from financing activities		(8,519)	(8,882)
Net (decrease)/ increase in cash and cash equivalents		(42,490)	17,788
Cash and cash equivalents at the beginning of the year		(3,123)	(20,911)
Cash and cash equivalents at the end of the year	12	(45,613)	(3,123)

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

1 GENERAL INFORMATION

FMF Foods Limited ('the Company') and its subsidiaries (together forming 'the Group') engage in the milling of wheat 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. During the year Atlantic & Pacific Packaging Company Limited also started manufacturing egg tray using recyclable materials and also ventured into signage business. 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 22nd September 2022.

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 2021 that have a material impact on the Group.

(b) New standards issued but not effective for the financial year beginning 1 July 2021 and not early adopted

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

2.2 Principles of consolidation

Subsidiaries

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Principles of consolidation (Cont'd)

The excess of the:
- consideration transferred,
- amount of any non-controlliing interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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 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, egg trays; and

(c) properties - leases out properties to related parties.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 assets 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.

(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. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Financial assets (Cont'd)

(iii) Impairment of financial assets (Cont'd)

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.

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.

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 is 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Inventories (Cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.11 Financial liabilities (Cont'd)

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

2.12 Trade payables

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

2.13 Borrowings

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

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

2.14 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.15 Current and deferred income tax (Cont'd)

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.

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 bound 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 extension options included under lease terms in property leases and rates for discounting (Note 2.19) and impairment of non-financial assets (Note 29), the Group does not have any significant areas of estimation uncertainty and critical judgments in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

4 FINANCIAL RISK MANAGEMENT

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

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

(a) Market risk

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

4 FINANCIAL RISK MANAGEMENT (Cont'd)

(a) Market risk (Cont'd)

Foreign exchange risk (Cont'd)
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.

Exposure

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

	2022			2021		
	USD $'000	AUD $'000	NZD $'000	USD $'000	AUD $'000	NZD $'000
Trade receivables	321	687	243	558	3,565	578
Trade payables	(6,261)	(2,566)	(406)	(6,075)	(7,268)	(722)

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.

	Impact on post-tax profit - gain / (loss)			
	2022		2021	
	USD $'000	AUD $'000	USD $'000	AUD $'000
Exchange rate – increase 10% (2021 – 10%)	100	(235)	286	(259)
Exchange rate – decrease 10% (2021 – 10%)	(115)	286	(234)	212

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 2022, 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 $207k (2021: $149k) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings and bank overdraft.

4 FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit risk

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

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

For banks and financial institutions, independent credit ratings exist for the 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:

	2022 $'000	2021 $'000
Cash		
Bank A	8,301	23,141

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 (2021: Aa3).

	2022 $'000	2021 $'000
Other investments		
Bank B	-	13,880
Bank C	15,727	-
	15,727	13,880

Bank B - At financial year end 2021, the Group had other investments with the Fiji branch of an international bank which had a Moody's credit rating of Baa3.

Bank C - At financial year end 2022, the Group has other investments with a local bank which has a Moody's credit rating of Ba3.

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.

4 FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit risk (Cont'd)

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

	2022		
	Expected weighted average loss rate	**Gross carrying amount $'000**	**Allowance for impairment $'000**
Current	0.62%	28,550	179
31 to 60 days overdue	1.76%	6,176	109
61 to 90 days overdue	6.89%	2,779	191
91 to 120 days overdue	18.11%	905	164
Over 120 days overdue	28.59%	881	252
Debtors individually assessed	100.00%	833	833
		40,124	1,728

	2021		
	Expected weighted average loss rate	**Gross carrying amount $'000**	**Allowance for impairment $'000**
Current	1.95%	22,682	444
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
		30,899	1,870

The amounts owing by the related companies arise from normal trading and exposure to credit risk and expected credit losses are separately assessed and no provisions are held at the year end (2021: $Nil).

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

	2022 $'000	**2021 $'000**
At 1 July	1,870	2,455
(Reversal of) / increase in loss allowance recognised in profit or loss	(29)	869
Bad debts written-off	(113)	(1,454)
At 30 June	1,728	1,870

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.

4 FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit risk (Cont'd)

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.

(c) Liquidity risk

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

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

	Contractual maturities of financial liabilities					
	Up to 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 years $'000	Total $'000	Carrying amount $'000
As at 30 June 2022						
Bank overdraft	53,914	-	-	-	53,914	53,914
Borrowings	1,974	2,739	1,726		6,439	6,069
Trade and other payables	17,210	-	-	-	17,210	17,210
Owing to related companies	2,710	-	-	-	2,710	2,710
Lease liabilities	246	227	616	8,604	9,693	3,392
Total	76,054	2,966	2,342	8,604	89,966	83,295

	Contractual Undiscounted Cash Flows					
	Up to 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 years $'000	Total $'000	Carrying amount $'000
As at 30 June 2021						
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
Total	52,430	3,031	7,110	10,210	72,781	60,772

Letters of credit and guarantees are disclosed in the Note 26.

4 FINANCIAL RISK MANAGEMENT (Cont'd)

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 2022, the Group's strategy, which was unchanged from 2021 was to maintain a gearing ratio of up to 30%.

The gearing ratio for the Group was as follows:

	2022 $'000	2021 $'000
Total borrowings (Note 21)	6,069	9,261
Cash and cash equivalents (Note 12)	45,613	3,123
Net debt	51,682	12,384
Equity (as shown in the statement of financial position, including NCI)	153,996	149,338
Total capital	205,678	161,722
Gearing ratio	25%	8%

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

	2022 $'000	2021 $'000
By category		
Sales of food products	243,857	211,766
Sales of packaging materials	6,493	5,555
	250,350	217,321

7 OTHER OPERATING INCOME

	2022 $'000	2021 $'000
Exchange gains	1,326	736
Gain on disposal of property, plant and equipment	-	32
Gain on disposal of lease	1	-
	1,327	768

8 NET FINANCE INCOME AND COST

	2022 $'000	2021 $'000
Finance income		
Interest income on term deposits	316	1,009
Interest income on customer overdue accounts / (reversals) - net	(45)	83
	271	1,092
Finance costs		
Interest expense on lease liabilities	(122)	(300)
Interest expense on overdraft and borrowings	(1,338)	(745)
	(1,460)	(1,045)
Net finance (cost) / income	(1,189)	47

9 PROFIT BEFORE TAX

	2022 $'000	2021 $'000
Included in profit before tax are the following items of revenues and expenses:		
Expenses		
Auditors' remuneration		
- PricewaterhouseCoopers (Principal auditors)	105	86
- Other auditors	39	34
Directors' emoluments		
- Directors' fees	49	38
Repairs and Maintenance	4,358	3,945
Advertising	2,247	1,193
Net foreign exchange (gain) / losses	(631)	327
Cartage expenses	3,853	3,316

10 INCOME TAX EXPENSE

	2022 $'000	2021 $'000
Current tax:		
Current tax on profits for the year	584	1,114
Adjustments in respect of prior year	(94)	(26)
Total current tax	490	1,088
Deferred tax:		
Origination and reversal of temporary differences	438	316
Adjustments in respect of prior year	(2)	-
Total deferred tax	436	316
Income tax expense	926	1,404

10 INCOME TAX EXPENSE (Cont'd)

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

	2022 $'000	2021 $'000
Profit before tax	10,834	10,600
Prima facie income tax expense at 10%/ 20%	1,450	1,550
Tax effects of:		
- Non-deductible and items not subject to tax (net)	(509)	(129)
Tax losses not recognised	81	(84)
Prior year adjustments	(96)	67
Income tax expense	926	1,404
Temporary differences	(438)	(316)
	488	1,088
Add: Opening current tax assets	(1,299)	(1,650)
Less: Taxes paid	(1,090)	(737)
Current income tax assets	(1,901)	(1,299)

11 DEFERRED INCOME TAXES

(a) Deferred income tax assets

	Tax losses $'000	Other $'000	Total $'000
At 30 June 2020	153	490	643
Charged to profit or loss statement	2	222	224
At 30 June 2021	155	712	867
Charged to profit or loss statement	381	(69)	312
At 30 June 2022	536	643	1,179

(b) Deferred income tax liabilities

	Property, plant & equipment $'000	Other $'000	Total $'000
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
Charged to profit or loss statement	451	299	750
At 30 June 2022	5,649	1,729	7,378

Unused tax losses of subsidiary for which no deferred income tax asset has been recognised is $3.93m as at 30 June 2022 (2021: $6.09m).

12 CASH AND CASH EQUIVALENTS

	2022 $'000	2021 $'000
Cash on hand and at bank	8,301	23,141

(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:

	2022 $'000	2021 $'000
Cash on hand and at bank	8,301	23,141
Bank overdraft	(53,914)	(26,264)
Cash and cash equivalents	(45,613)	(3,123)

(b) Financing facilities

Bank overdraft facility from ANZ totalling $50m (2021: $29m) on net basis is available to the Group and interchangeable amongst the Group companies. Refer to Note 20 for securities provided.

13 INVENTORIES

	2022 $'000	2021 $'000
Finished products	9,516	7,282
Raw and packaging materials	41,562	29,202
Spares	4,807	4,086
Work in progress	680	252
(Less): Allowances for inventory obsolescence	(1,355)	(1,861)
	55,210	38,961
Goods in transit	25,276	11,441
	80,486	50,402

14 TRADE RECEIVABLES

	2022 $'000	2021 $'000
Gross carrying amount	40,124	30,899
Less: Allowances for impairment	(1,728)	(1,870)
Trade receivables - net	38,396	29,029

15 PREPAYMENTS AND OTHER RECEIVABLES

	2022 $'000	2021 $'000
Deposits	441	452
Prepayments	3,063	2,508
VAT receivable	2,127	3,229
Prepayments and other receivables	5,631	6,189

16 OTHER INVESTMENTS

	2022 $'000	2021 $'000
Current		
Term deposit	15,727	13,880

17 INVESTMENTS IN SUBSIDIARIES

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

	Country of incorporation	% Interest 2022	2021	Principal activities
Pea Industries Pte Limited	Fiji	100	100	Pea milling
Biscuit Company of (Fiji) Pte Limited	Fiji	100	100	Biscuit manufacture
DHF Pte Limited	Fiji	100	100	Wheat and bakery ingredients sale
FMF Investment Company Pte Limited	Fiji	100	100	Property management
FMF Snax Pte Limited	Fiji	100	100	Snacks manufacture
Biscuit Company (Fiji) Pte Limited formerly known as Bakery Company (Fiji) Pte Ltd	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, signage
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
London Car Company Pte Limited	FIJI	100	100	Car Sale

(b) During the year, Biscuit Company of (Fiji) PTE Limited was merged with Bakery Company (Fiji) PTE Limited. Consequent to the merger, Bakery Company (Fiji) PTE Limited was renamed to Biscuit Company (Fiji) PTE Limited.

(c) 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.

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

(e) Material non-controlling interests

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

The total non-controlling interest at year end was $7.89m (2021: $8.03m), of which $3.30m (2021: $3.67m) was for RCF and $4.60m (2021: $4.36m) was attributed to ATPACK.

The profit allocated to non-controlling interest for the year was $0.56m (2021: $1.40m), of which $0.15m (2021: $0.54m) was for RCF and $0.41m (2021: $0.86m) was attributed to ATPACK.

The dividends paid to non-controlling interest during the year was $0.71m (2021: $0.71m), of which $0.53m (2021: $0.53m) was paid by RCF and $0.18m (2021:$0.18m) was paid by ATPACK.

17 INVESTMENTS IN SUBSIDIARIES (Cont'd)

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

Summarised statements of financial position

	RCF		ATPACK	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Assets	16,503	22,554	9,333	9,254
Liabilities	3,343	7,895	3,170	2,913
Current net assets	13,160	14,659	6,163	6,341
Non-current				
Assets	25	25	6,234	5,777
Liabilities	-	-	905	1,213
Non-current net assets	25	25	5,329	4,564
Net assets	13,185	14,684	11,492	10,905

Summarised statements of profit or loss and other comprehensive income

	RCF		ATPACK	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	38,689	31,439	16,498	13,969
Profit before income tax	668	2,380	1,113	2,395
Income tax expense	(67)	(238)	(86)	(250)
Net profit	601	2,142	1,027	2,145
Other comprehensive income	-	-	-	-
Total comprehensive income	601	2,142	1,027	2,145

Summarised cash flows

	RCF		ATPACK	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Cash flows from operating activities	(3,815)	(845)	28	3,013
Cash flows from investing activities	-	-	(1,532)	(162)
Cash flows from financing activities	(2,100)	(2,100)	(897)	(904)
Net increase / (decrease) in cash and cash equivalents	(5,915)	(2,945)	(2,401)	1,947

18 PROPERTY, PLANT AND EQUIPMENT

	Buildings $'000	Freehold land & building $'000	Motor vehicles $'000	Plant, furniture & equipment $'000	Work - in progress $'000	Total $'000
At 01 July 2020						
Cost	44,572	4,543	6,577	126,737	10,720	193,149
Accumulated depreciation	(11,620)	(357)	(5,459)	(91,419)	-	(108,855)
Net book amount	32,952	4,186	1,118	35,319	10,720	84,294
For the year ended 30 June 2021						
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)
Closing net book amount	39,118	4,168	1,227	33,435	4,492	82,440
At 30 June 2021						
Cost	51,973	4,547	7,217	131,067	4,492	199,296
Accumulated depreciation	(12,855)	(379)	(5,990)	(97,632)	-	(116,856)
Net book amount	39,118	4,168	1,227	33,435	4,492	82,440
For the year ended 30 June 2022						
Opening net book amount	39,118	4,168	1,227	33,435	4,492	82,440
Additions	160	-	1,685	2,810	4,305	8,960
Disposals	-	-	-	(312)	-	(312)
Transfers	232	-	-	5,292	(5,524)	-
Depreciation charge	(1,256)	(22)	(543)	(6,466)	-	(8,287)
Closing net book amount	38,254	4,146	2,369	34,759	3,273	82,801
At 30 June 2022						
Cost	52,365	4,547	8,902	138,857	3,273	207,944
Accumulated depreciation	(14,111)	(401)	(6,533)	(104,098)	-	(125,145)
Net book amount	38,254	4,146	2,369	34,759	3,273	82,801

19 TRADE AND OTHER PAYABLES

	2022 $'000	2021 $'000
Trade payables	13,193	14,173
Other payables and accruals	3,160	4,038
Staff leave accruals	857	1,335
	17,210	19,546

20 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 other investments (Note 16).

21 BORROWINGS

	2022 $'000	2021 $'000
Current		
Secured borrowings	1,791	2,000
Non-Current		
Secured borrowings	4,278	7,261
	6,069	9,261

The carrying amounts of borrowings approximate their fair values.

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

a) $3,086,667 commencing 22 May 2017
b) $2,981,800 commencing 1 July 2019

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

The security details on borrowings are disclosed in Note 20.

22 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.

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

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:

	Land $'000	Building $'000	Total $'000
Balance as at 1 July 2021	8,799	350	9,149
Additions	-	1,379	1,379
Disposal	-	(119)	(119)
Depreciation charge for the year	(106)	(153)	(259)
Balance as at 30 June 2022	8,693	1,457	10,150

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

	2022 $'000	2021 $'000
Current	99	139
Non-current	3,293	2,121
Total lease liabilities at 30 June	3,392	2,260

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

	2022 $'000	2021 $'000
Depreciation charge of right-of-use assets	259	294
Interest expense (included in finance cost)	122	300

(d) Cash outflow for leases:

	2022 $'000	2021 $'000
Repayment of principal lease liabilities	126	193
Interest expense	122	300
Total	248	493

23 SHARE CAPITAL

	2022 $'000	2021 $'000
Issued and fully paid:		
150,000,000 ordinary shares	6,000	6,000

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

24 DIVIDENDS

	2022 $'000	2021 $'000
Dividends declared (Dividend per share 2022: $0.03/ 2021: $0.03)	4,500	4,500

During the year dividends declared by group entities and payable to controlling and non-controlling interests was $5.2m (2021: $5.2m).

25 EARNINGS PER SHARE

	2022 $'000	2021 $'000
Profit after tax attributable to the owners of the Company	9,348	7,802
Number of ordinary shares issued ('000)	150,000	150,000
Basic and diluted earnings per share (cents)	6.23	5.20

26 CONTINGENCIES AND COMMITMENTS

	2022 $'000	2021 $'000
(a) Liabilities in respect of shipping documents surrendered where suppliers' account not yet credited:		
Letters of credit	922	5,214
(b) Gurantees or undertakings given by the banks on behalf of the Group:		
Guarantees and bonds	588	689

(c) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2022 $'000	2021 $'000
Property, plant and equipment	20	1,200

27 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
- Sanjay Punja - Managing Director
- Rohit Punja
- Pramesh Sharma
- Jenny Seeto
- Ajai Punja - *Appointed on 6th December 2021*
- Leena Punja (Alternate Director to Rohit Punja)

27 RELATED PARTIES (Cont'd)

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

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

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

	2022 $'000	2021 $'000
Fellow subsidiaries	97	342
	97	342

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 (2021: $Nil).

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

	2022 $'000	2021 $'000
Fellow subsidiaries	613	70
Other related entities	2,097	3,371
	2,710	3,441

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:

	2022 $'000	2021 $'000
Income		
- Sales to fellow subsidiaries	9	4
Expenses		
- Management fees to penultimate holding company	998	871
- Administrative expenses to penultimate holding company	4	21
- Purchase of consumables from fellow subsidiaries	4,373	3,283
- Purchases of raw materials, consumables and packing materials from other related entities	19,033	7,147
Dividends		
Dividend paid to penultimate holding company	3,232	3,232

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.

27 RELATED PARTIES (Cont'd)

(e) **Related party transactions (Cont'd)**

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.

(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, 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:

	2022 $'000	**2021 $'000**
Salaries and other short term benefits	882	924

28 IMPACT OF COVID-19 PANDEMIC AND RUSSIA-UKRAINE CONFLICT

COVID-19 pandemic continues to result in heightened uncertainty globally across industry segments. Additionally, the Geo-Political tension between Russia and Ukraine is further contributing to the global adversities. There has been significant adverse financial and social impact in Fiji and globally caused by the pandemic and the ongoing Russia-Ukraine conflict. The changes in consumer behaviour, buying patterns, worsening supply chain disruptions, inflationary pressures especially on commodity prices and maintaining safe working environment continues to pose challenges for the businesses. 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 Group. The Group has mitigation controls put in place to overcome these challenges by 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 its assets and liabilities. The Board continues to review the long-term impact of the pandemic and the ongoing Russia-Ukraine conflict and has been taking all steps necessary for the Group to adapt itself to emerging changes.

29 IMPAIRMENT OF PLANT AND EQUIPMENT

Following the restructure of the Group’s biscuit manufacturing operations, the Group determined that certain plant and equipment used in the biscuit production lines required a calculation of the recoverable amount as there were impairment indicators.

29 IMPAIRMENT OF PLANT AND EQUIPMENT (Cont'd)

The key assumptions used in the value in use calculations were as follows:

Key assumptions	Percentage used %
Sales growth – base year	15.00%
Sales growth – remaining years	1.00%
EBITDA margin – base year	28.70%
EBITDA margin - terminal year	28.70%
Terminal growth rate	2.00%
Discount rate	19.67%

The Group assessed individual production lines as cash generating units (CGUs) for purposes of assessing impairment.

The significant sales growth in the base year (2023) reflects the return to normal trading levels following significant COVID-19 related restrictions for the Group in financial year 2022. The sales growth from 2024 have been set at 1% on conservative basis. EBITDA margins are consistent with historical trends and are expected to be maintained moving forward.

The terminal growth rate is calculated based on continuous sales growth at a minimum projected inflation estimated at 2.0%. The discount rate of 19.67% represents the Group's current weighted average cost of capital taking in to account its current level and cost of borrowings and returns to shareholders.

Based on the calculation, the carrying amount of the CGU was determined to be lower than its recoverable amount, and no impairment was recorded.

30 EVENTS SUBSEQUENT TO BALANCE DATE

In accordance with Income Tax (Rates of Tax and Levies) (Amendment) (No. 2) Regulations 2022, commencing from financial year ending 30 June 2024 (tax year 2023), the company will be subject to corporate income tax at the rate of 20%. Accordingly, the current corporate income tax rate of 10% will increase to 20% from financial year ending 30 June 2024.

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

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

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

31 REGISTERED OFFICE AND SHARE REGISTER

Registered Office
2 Leonidas Street

Walu Bay
Suva
Republic of Fiji

Share Register
Central Share Registry Pte Limited

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

32 SEGMENT INFORMATION

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

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

32 SEGMENT INFORMATION (Cont'd)

(b) Primary reporting - business segments 2022

	Food products $'000	Packaging materials $'000	Properties $'000	Inter-segment elimination $'000	Total $'000
External sales	243,857	6,493	-	-	250,350
Intersegment sales	28,710	10,005		(38,715)	-
Sales	272,567	16,498	-	(38,715)	250,350
Other operating income	7,501	272	3,708	(10,154)	1,327
	280,068	16,770	3,708	(48,869)	251,677
Changes in inventories of finished goods and work in progress	2,336	326	-	-	2,662
Raw materials and consumables	(208,489)	(11,580)	-	38,739	(181,330)
Staff costs	(18,555)	(1,458)	-	-	(20,013)
Depreciation/ Amortisation	(9,658)	(1,289)	(766)	3,167	(8,546)
Impairment loss on trade receivables	30	(1)	-	-	29
Other operating expenses	(31,380)	(1,676)	(422)	1,022	(32,456)
Segment result before income tax and finance income/(costs)	14,352	1,092	2,520	(5,941)	12,023
Finance Income	1,151	154	132	(1,166)	271
Finance cost	(2,550)	(133)	(332)	1,555	(1,460)
Segment profit before tax	12,953	1,113	2,320	(5,552)	10,834
Income tax expense	(394)	(86)	(446)	-	(926)
Profit after tax for the year from continuing operations	12,559	1,027	1,874	(5,552)	9,908
Segment assets	226,640	15,492	35,514	(34,156)	243,490
Deferred income tax assets	1,104	75	-	-	1,179
Total assets	227,744	15,567	35,514	(34,156)	244,669
Segment liabilities	36,910	3,683	2,032	(19,313)	23,312
Deferred income tax liabilities	4,331	318	2,654	75	7,378
Borrowings	3,087	-	2,982	-	6,069
Bank overdraft	51,085	-	2,829	-	53,914
Total liabilities	95,413	4,001	10,497	(19,238)	90,673
Acquisition of property, plant and equipment	6,973	1,685	302	-	8,960
Depreciation expense	9,658	1,289	766	(3,167)	8,546
Net cash flows from operating activities	(24,089)	28	2,759	(1,970)	(23,272)

32 SEGMENT INFORMATION (Cont'd)

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

	Food products $'000	Packaging materials $'000	Properties $'000	Inter-segment elimination $'000	Total $'000
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)
Segment profit before tax	8,788	2,395	2,182	(2,765)	10,600
Income tax expense	(709)	(250)	(445)	-	(1,404)
Profit after tax for the year from continuing operations	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
Total assets	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
Total liabilities	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

pwc

FMF FOODS LIMITED AND SUBSIDIARIES
DISCLAIMER ON UNAUDITED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2022

The additional unaudited supplementary information presented on page 46 to 49 is compiled by the Board of FMF Foods Limited. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

We advise that neither the firm nor any member or employee of the firm accepts any responsibility arising in any way whatsoever to any person in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

PricewaterhouseCoopers

23 September 2022
Suva, Fiji

PricewaterhouseCoopers
Chartered Accountants

PricewaterhouseCoopers, Level 8 Civic Tower, 272 Victoria Parade, Suva, Fiji.
GPO Box 200, Suva, Fiji.
T: (679)3313955 / 3315199, F: (679) 3300981 / 3300947

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

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

NAME	Number of Shares	%
HARI PUNJA & SONS PTE LIMITED	106,124,847	70.75
THE 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
ESTATE OF 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
BHIKABHAI SUNDARJI BHINDI, DESMUKH BHAI BHINDI, SANJAY BHINDI	258,450	0.17

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

Distribution of ordinary shareholders:

No. of Shareholders	Shareholding	Total % Holding
36	0 to 500 shares	0.01
112	501 to 5,000 shares	0.24
67	5,001 to 10,000 shares	0.38
72	10,001 to 20,000 shares	0.77
43	20,001 to 30,000 shares	0.71
17	30,001 to 40,000 shares	0.43
22	40,001 to 50,000 shares	0.72
32	50,001 to 100,000 shares	1.78
44	100,001 to 1,000,000 shares	6.82
9	Over 1,000,000 shares	88.14
454	**Total**	**100.00**

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

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

Name of Director	Number of Meetings Held	Number of Meetings Attended	Apologies
Mr. Hari Punja (Chairman Emeritus)	-	-	-
Mr. Ram Bajekal (Chairman)	4	4	N/A
Mr. Sanjay Punja - Managing Director	4	4	N/A
Mr. Rohit Punja	4	4	N/A
Mr. Pramesh Sharma (Independent Director)	4	4	N/A
Mr. Jenny Seeto (Independent Director)	4	4	N/A
Ajai Punja - *Appointed on 6th December 2021*	4	2	2
Leena Punja (Alternate Director to Rohit Punja)	4	1	3
Audit & Finance Sub-Committee			
Ms. Jenny Seeto (Chairperson)	4	4	N/A
Mr. Rohit Punja	4	4	N/A
Mr. Ram Bajekal	4	4	N/A

(d) Disclosure under section 51.2 (x):

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

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

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

	Food products $'000	Packaging materials $'000	Properties $'000
Turnover	144,071	16,498	-
Other income	1,595	426	3,840
	145,666	16,924	3,840
Depreciation	(3,388)	(1,289)	(766)
Interest expense	(1,549)	(133)	(332)
Other expenses	(138,778)	(14,389)	(422)
Profit before tax	1,951	1,113	2,320
Income tax expense	(135)	(86)	(446)
Net profit after tax	1,816	1,027	1,874
Total assets	92,185	15,492	35,514
Total liabilities	41,635	4,000	10,497
Shareholders' equity	50,550	11,492	25,017

(e) Disclosure under Section 51.2 (xiv):

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

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000	2017 $'000
Net Profit after Tax	9,908	9,196	12,393	6,826	8,490	16,893
Current Assets	150,539	124,282	129,076	114,505	95,056	106,712
Non - Current Assets	94,130	92,456	94,691	92,088	85,131	84,077
Total Assets	244,669	216,738	223,767	206,593	180,187	190,789
Current Liabilities	75,724	51,390	59,187	57,734	33,156	45,898
Non -Current Liabilities	14,949	16,010	19,303	12,268	13,022	16,119
Total Liabilities	90,673	67,400	78,490	70,002	46,178	62,017
Shareholders' Equity	153,996	149,338	145,277	136,591	134,009	128,772

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

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

Dividend declared per share:

	2022	2021	2020	2019	2018	2017
Cents per share	3.00	3.00	2.00	2.00	1.73	1.40

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

Group earnings per share:

	2022	2021	2020	2019	2018	2017
Cents per share	6.23	5.20	7.36	3.53	4.97	10.45

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

Group net tangible assets per share:

	2022	2021	2020	2019	2018	2017
Cents per share	102.66	99.56	96.85	91.06	89.34	85.85

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

Share price during the year	**2022** **$**	**2021** **$**
Highest	2.09	2.12
Lowest	1.97	2.09
On 30th June	1.97	2.09

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 04, 2022 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]		
	Ordinary Business	For	Against	Abstain
1.	Consideration of Financial Statements			
2.	Confirmation of Interim Dividend			
3.	Re-appointment of Director - Mr. Ram Bajekal			
4.	Retirement of Director - Mr. Pramesh Sharma			
5.	Appointment of Director - Mr. Ajai Punja			
6.	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, "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 swastikap@fmf.com.fj before **11.00 a.m, November 02, 2022**, 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 swastikap@fmf.com.fj within the time limit (if any) specified in the relevant company's Articles of Association for receipt of Corporate Representative Appointments. The original of the form will be retained by the company.

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

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

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

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**

☐ **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 swastikap@fmf.com.fj before 5pm of 31st October 2022.