

## Appendix D: Half Year Financial Statement

### FUTURE FORESTS (FIJI) LIMITED

(Half Year Report can be audited or unaudited. If accounts are audited, an audit statement needs to be attached)

### PROFIT & LOSS STATEMENT FOR HALF YEAR ENDED 31 DECEMBER 2012

CONSOLIDATED			
	Current half year F\$000	*Increase/ Decrease %	Previous corresponding half year F\$000
<b>1. OPERATING REVENUE</b>			
(a) Sales Revenue	42	110	20
(b) Other revenue	37		31
(c) Total Operating Revenue	79		51
<b>2. (a) Net Profit/Loss before Tax</b>	<b>(417)</b>	<b>27</b>	<b>(570)</b>
(b) Income tax Expense			-
(c) <b>Net Profit/Loss after Tax</b>	<b>(417)</b>	<b>27</b>	<b>(570)</b>
<b>3. (a) Extraordinary item after tax</b>	-		-
(b) <b>Net Profit/Loss after Tax &amp; Extraordinary Item</b>	<b>(417)</b>		<b>(570)</b>
<b>4. (a) OEI in net profit and extraordinary items after income tax</b>	-		-
(b) <b>Net Profit/Loss after Extraordinary Items and Income Tax Attributable to Members of the Company</b>	<b>(417)</b>	<b>27</b>	<b>(570)</b>
(c) Retained Profit at Beginning	1,666		714
(d) <b>Total available for appropriation</b>	<b>1,249</b>		<b>144</b>
(e) Ordinary dividend provided for	-		-
(f) Preference dividend provided for	-		-
(g) Transfer to general reserves	-		-
(h) Total appropriations	-		-
(i) Retained profit at year end	1,249	767	144
<b>5. Earnings Per Share</b>			
(a) Basic earnings per share	(0.02)		(0.03)
(b) Diluted earnings per share			

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Director

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Director

**STATEMENT OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY**  
FOR HALF YEAR YEAR ENDED 31 ST. DECEMBER 2012

	<b>CONSOLIDATED</b>		
	At end of current half year F\$000	As shown in last Annual Report F\$000	If half yearly as shown in last Half Yearly Report F\$000
<b>6. CURRENT ASSETS</b>			
(a) Cash Assets	125	18	1708
(b) Trade receivables	9	126	2
(c) Other receivables	109		27
(d) Inventories			3,109
(e) Short-term investment	113	613	
(f) Other assets			100
<b>(g) Total Current Assets</b>	<b>356</b>	<b>757</b>	<b>4,946</b>
<b>NON-CURRENTS ASSETS</b>			
(h) Property, plant and equipment	703	767	750
(i) Long-term investment	379	379	
(j) Term deposit			
(k) Future income tax benefit			
(l) Intangible assets			
(m) Plantations	5,033	5,033	
<b>(n) Total Non-Current Assets</b>	<b>6,115</b>	<b>6,179</b>	<b>750</b>
<b>(o) Total Assets</b>	<b>6,471</b>	<b>6,936</b>	<b>5,696</b>
<b>7. CURRENT LIABILITIES</b>			
(a) Trade payables	17	124	21
(b) Other payables and accruals	92		218
(c) Current tax liabilities			
(d) Interest-bearing borrowings			4
(e) Term loan - secured	12	12	
(f) Bank overdraft			
(g) Unsecured advance			
(h) Inter-company loan			
(i) Provisions			
(j) Other (Deferred Income)	63	63	63
<b>(k) Total Current Liabilities</b>	<b>184</b>	<b>199</b>	<b>306</b>
<b>NON-CURRENT LIABILITIES</b>			
(l) Term loan - secured	326	327	343
- unsecured			
(m) Unsecured advance	1,265	1,265	
(n) Inter-company loan			
(o) Deferred tax liabilities			
(p) Provisions			
(q) Other	33	65	95
<b>(r) Total Non-Current Liabilities</b>	<b>1,624</b>	<b>1,657</b>	<b>438</b>
<b>(s) Total Liabilities</b>	<b>1,808</b>	<b>1,856</b>	<b>744</b>
<b>(t) NET ASSETS</b>	<b>4,663</b>	<b>5,080</b>	<b>4,952</b>
<b>8. EQUITY</b>			
(a) Contributed equity	3,414	3,413	4,808
(b) Reserves			
(c) Retained profits/accumulated losses	1,249	1,666	144
<b>(d) Equity Attributable to Members</b>	<b>4,663</b>	<b>5,079</b>	<b>4,952</b>
<b>OEI in Controlled Entities</b>			
(e) Contributed equity			
(f) Reserves			
(g) Retained profits/accumulated losses			
<b>(h) Total Outside Equity Interest in Controlled Entities</b>			
<b>(i) TOTAL EQUITY</b>	<b>4,663</b>	<b>5,079</b>	<b>4,952</b>

Inventories re classified as plantations under non current assets

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Director

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Director

**STATEMENT OF CASH FLOWS**  
FOR HALF YEAR ENDED 31 DECEMBER 2012

**9. CASH FLOW FROM OPERATING ACTIVITIES**

- (a) Cash Received from Trading activities
- (b) Cash Payments
- (c) Interest Received
- (d) Dividend Received
- (e) Interest Paid
- (f) Income Tax Paid
- (g) Net VAT Paid
- (h) **Net Cash Inflow from Operating Activities**

CONSOLIDATED	
Current half year F\$000	Previous corresponding half year F\$000
42	20
(317)	(710)
4	
(121)	(36)
	(7)
<b>(392)</b>	<b>(734)</b>

**10. CASH FLOWS FROM INVESTING ACTIVITIES**

- (a) Acquisition of Fixed Assets
- (b) Proceeds from Sale of Fixed Assets
- (c) Acquisition of Investment
- (d) Long Term Deposit
- (e) Audio Visual Production
- (f) Proceeds from Sale of Associate
- (g) Proceed from Sale of Investment
- (h) **Net Cash (Outflow) from Investing Activities**

	(37)
500	
<b>500</b>	<b>(37)</b>

**11. CASH FLOWS FROM FINANCING ACTIVITIES**

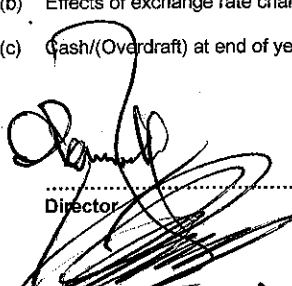
- (a) Dividend Paid
- (b) Repayment of Secured Loan
- (c) Proceed from Issue of Shares
- (d) Proceeds from Borrowings
- (e) Repayment of Lease Principal
- (f) **Net Cash (Outflow)/Inflow from Financing Activities**

(1)	
	2047
	0
	(5)
(1)	<b>2042</b>

**12. NET INCREASE/(DECREASE) IN CASH HELD**

- (a) Cash/(Overdraft) at beginning of year
- (b) Effects of exchange rate changes on opening cash balances
- (c) Cash/(Overdraft) at end of year

<b>107</b>	<b>1272</b>
<b>18</b>	<b>436</b>
<b>125</b>	<b>1708</b>

  
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 Director  
 .....  
 Director

## Future Forests (Fiji) Limited

Key Assumptions forming part of Financial Statements for the 6 months ended 31<sup>st</sup> December 2012

### 6 (m) Plantations

The company owns approximately 204 hectares of teak plantations and its principal business activity comprises the growing of teak trees (*Tactona Grandis*) for timber production and exports.

As at June 2011 management performed a valuation of the companies plantations based on the projections and assumptions that were reviewed by an independent Teak Forest expert, Dr. Luis Ugalde in a report dated 25 November 2010. Management used the above independent plantations report with relevant to ascertain the fair value

At June 2012 management performed a similar exercise using the valuations performed at 30 June 2011 and reviewed the assumptions used in the valuation of the plantations. There were no variations identified by management that would significantly impact the valuation.

Based on certain key assumptions and best estimates, some of which are outlined above, the directors valued the company's 204 hectres of teak plantations as at 31<sup>st</sup> December 2012 at a fair value of \$5,032,549.

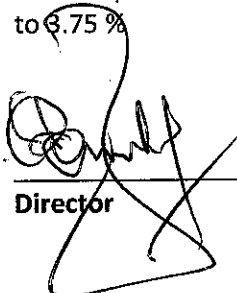
#### Reconciliation of carrying amounts of plantations

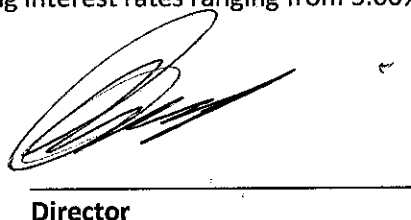
	6 months Ended 31 <sup>st</sup> Dec 2012	6 months Ended 31 <sup>st</sup> Dec 2011
Carrying amounts at 1 July	3,108,659	3,053,700
Gains arising from changes in fair value less costs to sell plantations	<u>1,923,890</u>	<u>54,959</u>
Carrying amount at 31 <sup>st</sup> December	<u>\$5,032,549</u>	<u>\$3,108,659</u>

### 6 (i) Long-term Investment

1 to 5 years \$379,186 \$379,186

Term deposits held with financial institutions attracting interest rates ranging from 3.00% to 3.75 %

  
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Director

  
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Director