

**Pacific Green Industries (Fiji) Limited**  
**Annual Report**  
**For the year ended 31 December 2014**

## **Pacific Green Industries (Fiji) Limited**

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## **Pacific Green Industries (Fiji) Limited**

### **Directors and Advisors**

Mr Samuel Ram – Chairman  
Mr Peter Ryan  
Mr Ravin Chandra  
Mr Jaoji Koroi  
Mr Pita Mawi  
Mr Sowani Tuidrola

**Managing Director**  
Mr Ravin Chandra

**Company Secretary**  
Miss Shabnam Prasad (appointed 21<sup>st</sup> October 2014)

**Independent Auditors**  
PricewaterhouseCoopers  
Chartered Accountants  
Level 8 Civic Tower, 272 Victoria Parade  
Suva, Fiji

**Bankers**  
Australia and New Zealand Banking Group Limited  
Main Street  
Nadi

**Registered office and principal place of business**  
Queens Road  
Malaqereqere  
Sigatoka  
Fiji  
Phone contact: 679 6500055

## Pacific Green Industries (Fiji) Limited

### Notice of Annual General Meeting of Pacific Green Industries (Fiji) Limited

Notice is hereby given that the Annual General Meeting of Shareholders of Pacific Green Industries (Fiji) Limited will be held at the Pacific Green Showroom, Queens Road, Malaqereqere, Sigatoka on 12 June 2015 commencing at 1.00pm for the purpose of transacting the following business:

#### Agenda

##### *General Business:*

##### Minutes of the Previous Meetings held on 6th June 2014

To receive, consider and adopt the Minutes of the previous Annual General Meeting held on 6th June 2014 as correct record of the Meeting.

##### Ordinary Business:

##### Item 1 Adoption of Financial Statements for the year ended 31 December 2014

To receive, consider and adopt the Audited Financial Position and Comprehensive Income Statement and the reports of the Directors and Auditors, for the year ended 31 December 2014.

##### Item 2 Election of Directors

To consider and if fit, pass the following resolutions as ordinary resolutions:

- (a) *Mr Peter Ryan*  
Mr Peter Ryan retires by rotation in accordance with Article 107 of the Articles of the Company's Constitution, and being eligible offers himself for re-appointment as a Director of the Company.
- (b) *Mr Sowani Tuodrola*  
Mr Sowani Tuidrola retires by rotation in accordance with Article 107 of the Articles of the Company's Constitution, and being eligible offers himself for re-appointment as a Director of the Company.

##### Item 3 Appointment Of Auditors

The Board proposes that PricewaterhouseCoopers be appointed auditors of the company for year 2015 and that the Board be authorised to fix their remuneration.

##### Item 4 Declaration of Dividends

The Board recommends that a final dividend of \$0.02 be declared bringing the total dividends to \$304,770 for the year ended 31 December 2014.

##### *Other Business:*

Any Other business brought up in conformity with the Articles of Association of the company.

By order of the Board of Directors

  
.....  
Shabnam Prasad  
Company Secretary

Dated 25 March, 2015  
Malaqereqere, Sigatoka, Fiji

## Pacific Green Industries (Fiji) Limited

### Chairman's Report

Dear Shareholders,

I was pleased to be elected Chairman of PGI by its Directors and shareholders. I accepted the role because I was convinced that Pacific Green was arguably one of the most environmentally successful furniture manufacturers in the world. I fully support their mission statement: Pacific Green is committed to promoting Palmwood ®, as an ecologically sound substitute for endangered hardwood, by providing comfortable natural products that evoke different cultures and exotic locations.

2014 was a challenging year for PGI. Whilst overall trading conditions were difficult we are pleased to report sales revenue increased by 20% to \$3,303,296. This result was achieved by focussing on an expanded product range and re-opening an Australian operation. This significant progress was costly and achieved without the assistance of any export incentives. As a result profit after tax, whilst it showed a solid rise over the preceding year \$26,111 (excluding China asset sale) to \$104,598, was disappointing and insufficient to fund a trading dividend.


However shareholders will be pleased with the Board declaring a final dividend of 2 cents per share. This was achieved through timely repayment from the China asset sale to Golden Palmwood International Limited. This brings total dividend paid for the 2014 financial year to 6 cents per share. We are confident and on track to receive and distribute this "sale dividend" for next three years.

Rest assured, the Board remains committed to continue to grow earnings and therefore improve returns for the shareholders. But all must realise there are many obstacles to expanding our markets. The first step – opening into Australia – continues to be costly – and this is made more difficult as we are restricted to using cash flow for expansion funding.

Despite these problems, the company's prospects remain positive. Your small management team has simplified its infrastructure to enable further growth and progress. They even achieved what had been thought impossible – extensive insurance cover for 2015. We are now covered for Material Damage (Fire, Cyclone, Earthquake, Burglary, Electrical damage, Fusion, Riot, Strike, Civil commotion, Water damage, Flood), Motor Vehicles, Directors & Officers Liability, Public Liability and Workman Compensation. Management continues to be confident that the actions taken to strengthen and grow the company will succeed.

We look forward to the opportunities ahead and thank all our business partners; Fijian Government, Yadua village, customers, shareholders, management and staff for all the support throughout a busy and challenging past year.

Vinaka vakilevu



.....  
Samuel Ram  
Chairman

## **Pacific Green Industries (Fiji) Limited**

### **Directors' Report**

The directors present their report together with the financial statements of the Company for the year ended 31 December 2014 and the auditors' report thereon.

### **Directors**

The directors in office of the Company at the date of this report are:

Mr Samuel Ram - Chairman  
Mr Peter Ryan  
Mr Ravin Chandra  
Mr Jaoji Koro  
Mr Pita Mawi  
Mr Sowani Tuidrola

### **Principal Activity**

The principal activity of the Company during the year was the manufacture and sale of furniture and architectural products made from coconut palmwood.

### **Results**

The net profit after income tax of the Company for the year ended 31 December 2014 was \$104,598 (2013: \$1,481,982).

### **Dividends**

There were three dividend payments made during the year 2014. Dividends of \$0.02 per share was approved by the directors and declared on 20<sup>th</sup> December 2013. This was paid on 17<sup>th</sup> January 2014. Subsequently dividends of \$0.02 per share were paid on 27<sup>th</sup> June and on 12<sup>th</sup> November 2014 (total of \$457,153). These dividends were paid from the sale of the shareholding in Dongguan Golden Palmwood Furniture Pty Limited.

### **Reserves**

The directors recommend that no amounts be transferred to reserves within the meaning of the Seventh Schedule of the Companies Act, 1983.

### **Subsequent events**

There has not arisen in the interval between the end of financial year and the date of this report, any transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years, apart from those disclosed in the notes to the financial statements.

**Pacific Green Industries (Fiji) Limited**

**Directors' report (continued)**

**Director's equity interests**

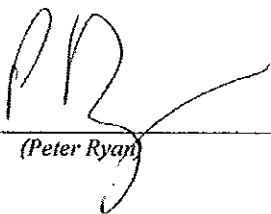
Mr. Peter Ryan, Mr. Ravin Chandra and Mr. Pita Mawi as directors own 1,367,310, 1,474,360 and 1,000 ordinary shares respectively of \$1.00 each as at 31 December 2014. They are shareholders through their shares in held in the Company. There are no other director held interests in the Company.

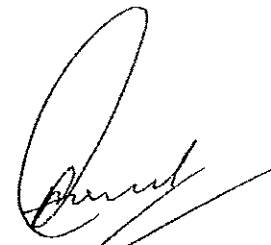
**State of affairs**

In the opinion of the directors the accompanying statement of financial position give a true and fair view of the state of affairs of the Company as at 31 December 2014 and the accompanying statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows give a true and fair view of the results, change in equity and cash flows of the Company for the year then ended, and all related party transactions have been recorded and adequately disclosed in the attached financial statements.

Dated 25<sup>th</sup> day of March 2015.

Signed in accordance with a resolution of the directors.

Director   
(Peter Ryan)

Director   
(Ravin Chandra)



## Independent Auditor's Report

To the Shareholders of Pacific Green Industries (Fiji) Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Pacific Green Industries (Fiji) Limited (the 'Company'). The financial statements comprise the statement of financial position of the Company as at 31 December 2014 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes on pages 9 to 28.

#### *Directors' and Management's Responsibility for the Financial Statements*

Directors and Management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Fiji Companies Act, 1983, and for such internal control as the directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors and management, as well as evaluating the overall presentation of the financial statements.

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

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PricewaterhouseCoopers is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.





## Independent Auditor's Report – continued

### *Opinion*

In our opinion the financial statements give a true and fair view of the financial position of the Company as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Report on Other Legal and Regulatory Requirements

In our opinion:

- a) proper books of account have been kept by the Company, so far as it appears from our examination of those books, and
- b) the accompanying financial statements are in agreement with the books of account and to the best of our information and according to the explanations given to us give the information required by the Fiji Companies Act, 1983 in the manner so required.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

### Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body, in accordance with Section 165(1) of the Fiji Companies Act 1983. 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.

25 March 2015  
Suva, Fiji

  
PricewaterhouseCoopers  
Chartered Accountants

**Pacific Green Industries (Fiji) Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2014**

	Notes	2014 \$	2013 \$
Revenue		3,303,296	2,627,242
Cost of sales		<u>(2,470,048)</u>	<u>(1,788,740)</u>
<b>Gross profit</b>		833,248	838,502
Gain on sale of shares in subsidiary		-	1,455,871
Distribution expenses		(78,920)	(60,378)
Administrative and other operating expenses		<u>(621,373)</u>	<u>(752,013)</u>
<b>Profit before income tax</b>	5	132,955	1,481,982
Income tax expense	7(a)	<u>28,357</u>	<u>-</u>
<b>Net profit after income tax</b>		104,598	1,481,982
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>104,598</u>	<u>1,481,982</u>
Basic earnings per share	15	0.01	0.19
Diluted earnings per share	15	0.01	0.19

The above statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 13 to 28.

**Pacific Green Industries (Fiji) Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2014**

	Share capital	Share premium reserve	Accumulated losses	Total
	\$	\$	\$	\$
<b>2013</b>				
Balance at 1 January 2013	7,619,234	504,210	(4,499,444)	3,624,000
<i>Comprehensive income</i>				
Profit for the year	-	-	1,481,982	1,481,982
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<u>-</u>	<u>-</u>	<u>1,481,982</u>	<u>1,481,982</u>
<i>Transactions with owners</i>				
Dividends paid (6 cents per share)	-	-	(457,153)	(457,153)
<b>Balance at 31 December 2013</b>	<u>7,619,234</u>	<u>504,210</u>	<u>(3,474,615)</u>	<u>4,648,829</u>
<b>2014</b>				
Balance at 1 January 2014	7,619,234	504,210	(3,474,615)	4,648,829
<i>Comprehensive income</i>				
Profit for the year	-	-	104,598	104,598
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<u>-</u>	<u>-</u>	<u>104,598</u>	<u>104,598</u>
<i>Transactions with owners</i>				
Dividends declared/paid (4 cents per share)	-	-	(304,770)	(304,770)
<b>Balance at 31 December 2014</b>	<u>7,619,234</u>	<u>504,210</u>	<u>(3,674,787)</u>	<u>4,448,657</u>

The above statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 13 to 28.

**Pacific Green Industries (Fiji) Limited**  
**Statement of Financial Position**  
**As at 31 December 2014**

	Notes	2014 \$	2013 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	2,908,788	2,847,815
Biological asset - Eco Park Project	9	89,719	87,068
Intangible asset	10	65,038	82,381
Trade and other receivables - Golden Palmwood International Limited	12	<u>1,409,557</u>	<u>2,147,310</u>
<b>Total non-current assets</b>		<u>4,473,102</u>	<u>5,164,574</u>
<b>Current assets</b>			
Cash and cash equivalents	11	391,220	357,162
Trade and other receivables	12	98,397	216,274
Current income tax asset		23,672	30,526
Inventories	13	1,454,140	1,474,958
Prepayments and other deposits		<u>296,108</u>	<u>35,356</u>
<b>Total current assets</b>		<u>2,263,537</u>	<u>2,114,276</u>
<b>Total assets</b>		<u>6,736,639</u>	<u>7,278,850</u>
<b>Equity</b>			
Share capital	14(a)	7,619,234	7,619,234
Share premium reserve	14(b)	504,210	504,210
Accumulated losses		<u>(3,674,787)</u>	<u>(3,474,615)</u>
<b>Total equity</b>		<u>4,448,657</u>	<u>4,648,829</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liability	7(b)	<u>21,503</u>	<u>-</u>
<b>Total non-current liabilities</b>		<u>21,503</u>	<u>-</u>
<b>Current liabilities</b>			
Trade and other payables	16	<u>2,266,479</u>	<u>2,630,021</u>
<b>Total current liabilities</b>		<u>2,266,479</u>	<u>2,630,021</u>
<b>Total liabilities</b>		<u>2,287,982</u>	<u>2,630,021</u>
<b>Total equity and liabilities</b>		<u>6,736,639</u>	<u>7,278,850</u>

Signed in accordance with a resolution of the directors this 25<sup>th</sup> day of March 2015.

Director .....

*(Peter Ryan)*

Director .....

*(Ravin Chandra)*

The above statement of financial position is to be read in conjunction with the notes to financial statements set out on pages 13 to 28.

**Pacific Green Industries (Fiji) Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2014**

	Notes	2014 \$	2013 \$
<b>Operating activities</b>			
Cash receipts in the course of operations		3,421,173	2,368,002
Cash payments in the course of operations		<u>(2,701,984)</u>	<u>(2,166,736)</u>
		719,189	201,266
Insurance proceeds		-	<u>128,573</u>
<b>Cash flows from operating activities</b>		<u>719,189</u>	<u>329,839</u>
<b>Investing activities</b>			
Purchases of property, plant and equipment	8	(225,327)	(401,783)
Biological asset - Eco Park Project		<u>(2,651)</u>	<u>(6,895)</u>
<b>Cash flows used in investing activities</b>		<u>(227,978)</u>	<u>(408,678)</u>
<b>Financing activities</b>			
Dividends paid		<u>(457,153)</u>	<u>(304,769)</u>
<b>Cash flows used in financing activities</b>		<u>(457,153)</u>	<u>(304,769)</u>
Net increase /(decrease) in cash held		34,058	(383,608)
Cash and cash equivalents at 1 January		<u>357,162</u>	<u>740,770</u>
<b>Cash and cash equivalents at 31 December</b>	11	<u>391,220</u>	<u>357,162</u>

The above statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 13 to 28.

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2014**

**1. Reporting entity**

Pacific Green Industries (Fiji) Limited (the "Company") is a public limited company incorporated and domiciled in the Republic of Fiji. The address of the Company's registered office and principal place of business is Queens Road, Malaqereqere, Sigatoka, Republic of Fiji. The Company is primarily involved in the manufacture and sale of furniture and architectural products made from coconut palmwood.

**Stock exchange listing**

The company was listed on the South Pacific Stock Exchange on 5 June 2001.

**2. Basis of preparation**

**(a) Statement of accounting**

The financial statements of the Company have been drawn up in accordance with the provisions of the Companies Act 1983 and International Financial Reporting Standards (IFRSs) and IFRIC interpretations as issued by the International Accounting Standards Board. The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial statements were approved by the Board of Directors on 25<sup>th</sup> March 2015.

**(b) Changes in accounting policy and disclosures**

**(i) New and amended standards adopted by the company**

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that would be expected to have a material impact on the Company.

**(ii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2014 and not early adopted**

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. The Company is yet to assess the impact of these standards and intends to adopt the standards no later than the accounting period in which it becomes effective. None of these are expected to have a significant effect on the financial statements of the Company, except the following set out below:

Topic	Key Requirements	Effective Date
IFRS 9, 'Financial instruments'	This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.	Annual periods beginning on or after 1 January 2018

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

**2. Basis of preparation (continued)**

**(c) Foreign currency translation**

**(i) Functional and presentation currency**

The financial statements are presented in Fiji Dollars, which is the Company's functional currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated to Fiji dollars at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are translated at the rates of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account in the statement of profit or loss and other comprehensive income.

**(d) Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3(c) – Property plant & equipment
- Note 3(h) – Impairment

**3. Significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Financial instruments**

**(i) Non-derivative financial assets**

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

**3. Significant accounting policies (continued)**

**(a) Financial instruments (continued)**

**(i) Non-derivative financial assets (continued)**

The Company classifies non-derivative financial assets into the following categories: held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

*Held-to-maturity financial assets*

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity, and which are not designated as at fair value through profit or loss or as available for sale. Held-to-maturity investments are carried at amortised cost using fixed interest rate.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables. Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less, net of bank overdraft.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale.

Available-for-sale financial assets are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Equity investments not held for trading are classified under this category. Available-for-sale financial assets are subsequently carried at cost less provision for impairment. Provision for impairment of investments is made where in the opinion of the Directors there has been a permanent diminution on the value of the investments.

**(ii) Non-derivative financial liabilities**

Financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company's non-derivative financial liabilities comprise loans and borrowings, bank overdraft and trade and other payables and these are carried at cost. As at 31 December 2014 there were no loans and borrowings and bank overdraft.

Bank overdraft that is repayable on demand and forms an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.



**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

**3. Significant accounting policies (continued)**

**(b) Share Capital**

**Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**Share premium reserves**

Share premium is the amount by which the fair value of the consideration received exceeds the nominal value of the shares issued.

**(c) Property, Plant and Equipment**

**Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs of materials, direct labour and an appropriate proportion of overheads, any other costs directly attributable to bringing the assets to a working condition for their intended use and capitalised borrowing costs.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in the statement of profit or loss and other comprehensive income.

**Subsequent costs**

The cost of replacing an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced item is derecognised. The costs of the day-to-day servicing of the property, plant and equipment are recognised in the statement of profit or loss and other comprehensive income as incurred.

**Depreciation**

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The straight-line method of depreciation is used and depreciation rates have been applied as follows:

Leasehold land	term of lease
Buildings	1.25%
Motor vehicles	20%
Office furniture and equipment	10%
Plant and equipment	5%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

**3. Significant accounting policies (continued)**

**(d) Biological assets**

The Company has engaged in an Eco park project which consists of planting exotic, high-end hardwoods (sandalwood, teak and mahogany). In measuring fair value of the plants, management estimates and judgements are required for the determination of fair value.

At this stage the fair value of these plants cannot be reliably measured as very little biological transformation has taken place since initial cost incurrence and the impact of the biological transformation on price is not expected to be material, its cost is approximated to be its fair value.

**(e) Intangible assets**

Intangible assets represent rights to an exclusive dealership to sell the Company's products in Australia.

The intangible is shown at historical cost less amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the exclusive dealership over its estimated useful life of 5 years.

**(f) Leased assets**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

**(g) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred and bringing them to their existing condition and location. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**(h) Impairment**

**(i) Financial assets**

A financial asset not carried at fair value through the statement of profit or loss and other comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of profit or loss and other comprehensive income and reflected in an allowance account against loans and receivables or held-to-maturity investment. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease the impairment loss is reversed through the statement of profit or loss and other comprehensive income.

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

**3. Significant accounting policies (continued)**

**(h) Impairment (continued)**

**(i) Financial assets (continued)**

Impairment losses on available-for-sale financial assets measured at fair value are recognised by reclassifying the losses accumulated in the fair value reserve in equity, to the statement of profit or loss and other comprehensive income. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation and the current fair value, less any impairment loss recognised previously in the statement of profit or loss and other comprehensive income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in the statement of profit or loss and other comprehensive income, then the impairment loss is reversed, with the amount of the reversal recognised in the statement of profit or loss and other comprehensive income. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

**(ii) Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater value of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income .

**(i) Employee benefits**

Contributions paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits are included in the statement of profit or loss and other comprehensive income . Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the relative service is provided.

**(j) Trade and other payables**

Trade and other payables are not interest-bearing and are stated at cost. A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**(k) Revenue**

Revenue from the sale of goods is measured at the consideration received or receivable, net of returns, allowances and trade discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of the goods can be estimated reliably, and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

**3. Significant accounting policies (continued)**

**(k) Revenue (continued)**

Transfer of risks and rewards vary depending on the individual terms of the contract of sale. For furniture sales, transfer usually occurs when the product is received by the customer, however, for some international shipments transfer occurs upon loading of goods onto the relevant carrier at the port.

**(l) Lease payments**

Payments made under operating leases are recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**(m) Income tax**

Income tax expense comprises current and deferred income tax. Current income tax and deferred income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

A deferred income tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(n) Earnings per share**

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to members of the Company by the weighted average number of shares of the Company.

Diluted earnings per share is the same as basic earnings per share for the Company as there are no ordinary shares that are considered to be dilutive.

**4. Financial risk management**

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

**4. Financial risk management (continued)**

**(a) Foreign currency risk management**

The Company is mainly exposed to foreign exchange risk arising from various currency exposures with respect to purchase of inventory, primarily with respect to the AUD and USD. Foreign exchange risk may arise from future commercial transactions and liabilities. Management has set up bank accounts in USD, AUD and FJD to reduce any negative impact.

**(b) Credit risk management**

Credit risk refers to the risk that a customer or counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with credit worthy customers as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counter parties are continuously monitored. Credit exposure is controlled by customer credit limits that are reviewed and approved by the management on a regular basis.

Customers that fail to meet the Company's benchmark credit worthiness may transact with the Company only on a prepayment basis. In any case, the Company predominantly requires that a deposit be paid before commencing production and that the balance is settled before the product is dispatched. The Company does not require collateral in respect of trade and other receivables.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2014	2013
	\$	\$
Cash at bank	390,220	356,162
Trade and other receivables	1,507,954	2,363,584
	<u>1,898,174</u>	<u>2,719,746</u>

**(c) Liquidity risk management**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate banking facilities and collecting advance deposits from clients and continuously monitoring forecast and actual cash flows.

**(d) Interest rate risk management**

The Company can be exposed to interest rate risk if its overdraft facility is on variable interest rates. As at 31 December 2014 there was no bank overdraft.

**(e) Capital risk management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns to its shareholders.

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

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

	2014	2013
	\$	\$
<b>5. Profit before tax</b>		
Included in profit before tax are the following items of revenue and expenses:		
Fire loss	51,644	295,900
Insurance proceeds for fire loss	-	(128,573)
Net insurance loss	<u>51,644</u>	<u>167,327</u>
Amortisation	17,343	4,336
Audit fees	18,000	10,000
Bank charges	15,652	10,250
Depreciation	128,873	120,857
Gain on sale of shares in subsidiary	-	(1,455,871)
Loss on disposal of plant and equipment	11,544	-

***Gain on sale of shares in subsidiary***

The Company had established a subsidiary, Dongguan Golden Palmwood Furniture Pty Limited (DGPL) in the Republic of China in 2004 and had 70% ownership interest. On 30 June 2013, the Company sold all its shares in the subsidiary to a foreign private company, Golden Palmwood International Limited (GPIL) at a sale price of \$2,500,000. In 2013 the Company had recognised a gain arising from the sale as determined below.

	2014	2013
	\$	\$
Sale price	-	2,500,000
<i>Less:</i>		
Carrying value of shares	-	(834,168)
Costs associated with the sale	-	(209,961)
Gain on sale of shares	<u>-</u>	<u>1,455,871</u>

**6. Personnel expenses**

	2014	2013
	\$	\$
Wages and salaries included in cost of sales	499,462	481,416
Other wages and salaries	140,865	148,147
Executive directors remuneration	<u>109,500</u>	<u>85,500</u>
	749,827	715,063
<i>Less:</i>		
Wages and salaries transferred to building and Eco park project cost	(12,778)	(30,510)
Wages and salaries transferred to costs associated with the sale of subsidiary	-	(30,750)
Wages and salaries charged for services provided to Dongguan Golden Palmwood Furniture Pty Limited	<u>(89,540)</u>	<u>(37,402)</u>
	647,509	616,401
FNU levy	7,466	7,158
FNPF	<u>49,229</u>	<u>49,728</u>
Net amount included in the statement of profit or loss and other comprehensive income	<u>704,204</u>	<u>673,287</u>

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

**7. (a) Income tax**

**Income tax expense recognised in the statement of profit or loss and other comprehensive income**

	2014	2013
	\$	\$
Current income tax expense	6,854	-
Deferred income tax expense	21,503	-
Income tax expense	<u>28,357</u>	<u>-</u>
<b>Reconciliation of income tax expense</b>		
Operating profit	132,955	1,481,982
Tax effects of:		
- Income tax expense at 10% (2013: 18.5%)	13,296	274,167
- Income not subject to tax	-	(299,262)
- Expenses not deductible for tax purposes	4,410	41,724
- Utilisation of previously unrecognised tax losses	(4,286)	(14,773)
- Export incentive	(830)	(1,439)
- Temporary differences for which no deferred income tax asset was recognised	-	(417)
- Temporary differences brought to account	15,767	-
Income tax expense	<u>28,357</u>	<u>-</u>

The Company has tax losses of \$ nil at year end (2013: tax losses of \$42,858) which have not been recognised in the statement of financial position.

**(b) Deferred income tax liability**

The deferred income tax liability reflects the net effect of the following temporary difference at the income tax rate of 10%:

	2014	2013
	\$	\$
Property, plant & equipment	<u>21,503</u>	<u>-</u>

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

**8. Property, plant and equipment**

	Leasehold land and buildings \$	Plant and equipment \$	Motor vehicles \$	Office furniture and equipment \$	Total \$
<b>Cost</b>					
Balance at 1 January 2013	2,461,405	713,344	206,787	303,495	3,685,031
Additions	345,049	47,612	4,927	4,195	401,783
Disposals	<u>(296,291)</u>	<u>-</u>	<u>(103,286)</u>	<u>-</u>	<u>(399,577)</u>
Balance at 31 December 2013	<u>2,510,163</u>	<u>760,956</u>	<u>108,428</u>	<u>307,690</u>	<u>3,687,237</u>
Balance at 1 January 2014	2,510,163	760,956	108,428	307,690	3,687,237
Additions	38,153	80,280	122,241	6,393	247,067
Disposals	<u>(23,853)</u>	<u>-</u>	<u>(65,550)</u>	<u>-</u>	<u>(89,403)</u>
Balance at 31 December 2014	<u>2,524,463</u>	<u>841,236</u>	<u>165,119</u>	<u>314,083</u>	<u>3,844,901</u>
<b>Accumulated depreciation</b>					
Balance at 1 January 2013	253,104	272,634	138,307	161,509	825,554
Depreciation for the year	32,530	34,935	24,765	28,627	120,857
Disposals	<u>(3,703)</u>	<u>-</u>	<u>(103,286)</u>	<u>-</u>	<u>(106,989)</u>
Balance at 31 December 2013	<u>281,931</u>	<u>307,569</u>	<u>59,786</u>	<u>190,136</u>	<u>839,422</u>
Balance at 1 January 2014	281,931	307,569	59,786	190,136	839,422
Depreciation for the year	31,555	35,245	19,881	42,192	128,873
Disposals	<u>(2,526)</u>	<u>-</u>	<u>(29,656)</u>	<u>-</u>	<u>(32,182)</u>
Balance at 31 December 2014	<u>310,960</u>	<u>342,814</u>	<u>50,011</u>	<u>232,328</u>	<u>936,113</u>
<b>Carrying amounts</b>					
At 1 January 2013	<u>2,208,301</u>	<u>440,710</u>	<u>68,480</u>	<u>141,986</u>	<u>2,859,477</u>
At 31 December 2013	<u>2,228,232</u>	<u>453,387</u>	<u>48,642</u>	<u>117,554</u>	<u>2,847,815</u>
At 31 December 2014	<u>2,213,503</u>	<u>498,422</u>	<u>115,108</u>	<u>81,755</u>	<u>2,908,788</u>



**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

	2014	2013
	\$	\$
<b>9. Biological asset</b>		
Eco Park project	<u>89,719</u>	<u>87,068</u>

The ecological park was opened in January 2012 in conjunction with the new factory opening. The Eco Park is a key element in the rebuilding of the Sigatoka factory. The Park is about promoting sustainability in action as it would allow visitors to learn about the 'tree of life'.

The Eco Park project consists of planting exotic, high-end hardwoods (sandalwood, teak and mahogany). At this stage the fair value of these plants cannot be reliably measured as very little biological transformation has taken place since initial cost incurrence and the impact of the biological transformation on price is not expected to be material, its cost is approximated to be its fair value. The major cost incurred in relation to the Eco Park project is buying and planting the seedlings, fencing, landscaping, machinery and tools used and labour cost.

	2014	2013
	\$	\$
<b>10. Intangible asset</b>		
<b>Cost</b>		
Balance at 1 January	86,717	-
Additions	<u>-</u>	<u>86,717</u>
Balance at 31 December	<u>86,717</u>	<u>86,717</u>
<b>Accumulated amortisation</b>		
Balance at 1 January	4,336	-
Amortisation for the year	<u>17,343</u>	<u>4,336</u>
Balance at 31 December	<u>21,679</u>	<u>4,336</u>
<b>Carrying amounts</b>		
At 31 December	<u>65,038</u>	<u>82,381</u>

The above represents amount paid by the Company to acquire an exclusive dealership to sell company products in Australia from an existing Australian dealership.

The amount is being amortised in accordance with the accounting policy in Note 3(e). The amortisation has been included in 'administrative and other operating expense' in the statement of profit or loss and other comprehensive income.

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

	2014	2013
	\$	\$
<b>11. Cash and cash equivalents</b>		
Cash at bank	390,220	356,162
Cash on hand	<u>1,000</u>	<u>1,000</u>
Cash and cash equivalents in the statement of cash flows	<u><u>391,220</u></u>	<u><u>357,162</u></u>
	2014	2013
	\$	\$
<b>12. Trade and other receivables</b>		
<b>Current</b>		
Trade receivables	91,665	189,413
Amounts owed by directors	-	19,612
Amount owed by employees	<u>6,732</u>	<u>7,249</u>
	<u><u>98,397</u></u>	<u><u>216,274</u></u>
<b>Non-current</b>		
Amounts owed by Golden Palmwood International Limited (GPIL)	<u><u>1,409,557</u></u>	<u><u>2,147,310</u></u>

The Company had established a subsidiary, Dongguan Golden Palmwood Furniture Pty Limited (DGPL) in the Republic of China in 2004 and had 70% ownership interest. On 30 June 2013, the Company sold all its shares in the subsidiary to a foreign private company, Golden Palmwood International Limited (GPIL). The sale was approved by the board of directors at an extraordinary general meeting held on 28<sup>th</sup> February 2013 at a price of \$2,500,000. According to the terms of the agreement, the amount is repayable in 5 years with final repayment due by 30 June 2018.

Key terms of the sale include the following:

- Two directors on DGPL's board shall be the appointees and/or nominees of the Company until such time as the full purchase price is paid.
- The purchase price shall be paid in 5 consecutive yearly instalment with the first instalment payment falling due one year after the date of execution of agreement and the last instalment payment falling due on 5 years thereafter. Interest will accrue on any outstanding balance, at a rate to be determined by the Company.
- Instalments would be made by way of purchase of palmwood goods, components, finished products and other materials from DGPL to a minimum value of FJ\$500,000 per annum and a maximum value of FJ\$1,100,000 per annum. The purchases would be paid by GPIL, thereby reducing its debt to the Company. The Company shall not place orders and neither shall DGPL be obliged to deliver any orders placed if such orders shall in totality exceed the value of US\$54,000 per month.
- Any trademarks, licences, patents, and methods used and owned by the Company and licensed to DGPL for use by DGPL shall not be deemed to be transferred or assigned to GPIL. Under a separate agreement, the Company has licensed GPIL to use trademarks owned by the Company free of charge up to 29 June 2018. From 30 June 2018, GPIL will be required to pay a royalty of 2.75% of the wholesale selling price of the relevant goods and services sold by GPIL.
- The amount owed by GPIL is secured; GPIL has granted to the Company a security interest in GPIL's right, title and interest in the shares it is acquiring.

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

	2014	2013
	\$	\$
<b>13. Inventories</b>		
Raw materials	382,061	330,677
Work in progress	284,245	366,724
Finished goods	787,834	689,111
Goods in transit	-	88,446
	<u>1,454,140</u>	<u>1,474,958</u>

**14. (a) Share capital**

	2014	2013
<i>Authorised capital</i>		
20,000,000 shares of \$1.00 each	<u>20,000,000</u>	<u>20,000,000</u>
<i>Issued share capital</i>		
7,619,234 shares of \$1.00 each fully paid	<u>7,619,234</u>	<u>7,619,234</u>

**(b) Share premium reserve**

Share premium is the amount by which the consideration received exceeds the nominal value of shares issued.

	2014	2013
	\$	\$
Share premium	<u>504,210</u>	<u>504,210</u>

**15. Earnings per share**

*Basic earnings per share*

The calculation of basic earnings per share is as follows:

	2014	2013
	\$	\$
Net profit after tax attributable to shareholders	<u>104,598</u>	<u>1,481,982</u>
Weighted average number of shares for the year ended 31 December	<u>7,619,234</u>	<u>7,619,234</u>
<b>Basic earnings per share</b>	<u>0.01</u>	<u>0.19</u>

*Diluted earnings per share*

Diluted earnings per share at 31 December 2014 is the same as basic earnings per share as there are no ordinary shares which are considered dilutive.

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

	2014	2013
	\$	\$
<b>16. Trade and other payables</b>		
Trade creditors and accruals	832,699	823,172
VAT payable	14,195	19,627
Dividends payable	-	152,384
Amounts payable to Dongguan Golden Palmwood Furniture Pty Limited (DGPL)	<u>1,419,585</u>	<u>1,634,838</u>
	<u>2,266,479</u>	<u>2,630,021</u>

The amount owing to DGPL (previously a subsidiary) relates to purchases of finished goods, net of salaries, consultancy fees, exhibition expenses and travelling expenses which have been recharged by the Company to DGPL. The balance has no fixed term of repayment.

**17. Commitments and contingencies**

**(a) Operating lease commitments**

On 16 October 1997, the company entered into native lease agreements with the Native Land Trust Board to lease land at Lot 1 and 2 on Plan SO 3011, Cuvu, Nadroga. The leases have a term of 75 years ending on 28 February 2062.

The future lease commitments are as follow:

	2014	2013
	\$	\$
Payable not later than 1 year	13,030	13,030
Payable later than 1 year but not later than 5 years	51,980	51,980
Payable later than 5 years	<u>554,131</u>	<u>567,161</u>
	<u>619,141</u>	<u>632,171</u>

**(b) Capital commitments**

Capital commitments for the Company not otherwise provided for in the financial statements amounted to \$Nil (2013: \$Nil).

**(c) Contingent liabilities**

The Company has no contingent liabilities as at 31 December 2014 (2013: \$Nil).

**18. Related parties**

**(a) Directors**

The following were directors of the company during the year:

Mr Samuel Ram – Chairman  
 Mr Peter Ryan  
 Mr Ravin Chandra – Managing Director  
 Mr Jaoji Koroï  
 Mr Pita Mawi  
 Mr Sowani Tuidrola

**Pacific Green Industries (Fiji) Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2014**

**18. Related parties (continued)**

**(b) Transactions with Directors and Key Management Personnel**

The aggregate value of transactions and outstanding balances relating to management personnel were as follows:

Personnel Position	Transaction	Net transaction value		Balance Outstanding	
		Year ended 31		As at 31 December	
		2014	2013	2014	2013
		\$	\$	\$	\$
Managing director –					
Ravin Chandra	Advances	-	-	-	19,612
Employees	Advances	-	-	6,732	7,249

**(c) Equity Interest of Related Parties**

The interests of directors and employees during the year in the ordinary shares of the company are as follows:

	Additions	Holding
	\$	\$
Employees	-	8,850
Directors	-	2,842,670

**(d) Transactions with Related Parties**

*Transaction with Shareholders*

Mr. Peter Ryan and Mr. Ravin Chandra (Directors and Shareholders) have established a company (Pacific Green Australia Pty Limited-PGAL) that sell company products in Australia. PGAL purchased \$393,010 (2013: \$148,754) worth of finished goods from the Company during the year. The total amount outstanding at year end is \$43,848 (2013: \$34,796).

**19. Subsequent events**

There has not arisen in the interval between the end of financial year and the date of this report, any transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years, apart from those disclosed in the notes to the financial statements.

**Pacific Green Industries (Fiji) Limited**

Listing requirements of the South Pacific Stock Exchange (unaudited and not included elsewhere in the Annual Report)  
For the year ended 31 December 2014

**(1) Schedule of each class of equity security, in compliance with listing requirements under section 6.31 (iv):**

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

	Name	Shares	Total % Holding
1	Pacific Green Industries Limited	3,041,627	39.92%
2	Fiji National Provident Fund	1,244,275	16.33%
3	FHL Media Limited	1,038,274	13.63%
4	iTaukei Trust Fund	1,000,000	13.12%
5	Munswamy Reddy	803,830	10.55%
6	FHL Trustees Limited- ATF Fijian Holdings Unit Trust	256,527	3.37%
7	Unit Trust Of Fiji (Trustee Co) Ltd	80,000	1.05%
8	Colonial Fiji Life Limited	35,682	0.47%
9	Radike & Eta Qereqeretabua	25,000	0.33%
10	Ken Kung	20,000	0.26%
11	Jimaima T Schultz	13,500	0.18%
12	Vishnu Deo	5,000	0.07%
13	Taniela Vafoou Fatiaki	5,000	0.07%
14	Rajesh Sharma	3,500	0.05%
15	Kamlesh Kumar	3,000	0.04%
16	Dahyabhai Nathubhai Patel & Bipin Chandra Patel	3,000	0.04%
17	Christopher Dard Keung Yee	3,000	0.04%
18	Atunaisa Kaitabu & Fulori Sarai	2,645	0.03%
19	Dhirendra Pratap	2,500	0.03%
20	Shabnam Prasad	2,500	0.03%

(b) Details of Shareholdings of Directors and Senior Management :

1	Ravin Chandra (through Pacific Green Industries Limited)	1,474,360
2	Peter Ryan (through Pacific Green Industries Limited)	1,367,310
3	Shabnam Prasad	2,500
4	Pita Mawi	1,000
5	Praveen Padyachi	1,000

**(2) Schedule of each class of equity security, in compliance with listing requirements under section 6.31 (v):**

Distribution of ordinary shareholders:

No. of Holders	Holdings	Total % Holding
34	Less than 500 shares	0.09%
30	501 to 5,000 shares	0.70%
0	5,001 to 10,000 shares	-
2	10,001 to 20,000 shares	0.44%
1	20,001 to 30,000 shares	0.33%
1	30,001 to 40,000 shares	0.47%
0	40,001 to 50,000 shares	-
1	50,001 to 100,000 shares	1.05%
3	100,001 to 1,000,000 shares	27.04%
3	Over 1,000,000 shares	69.88%

**Pacific Green Industries (Fiji) Limited**

Listing requirements of the South Pacific Stock Exchange (unaudited and not included elsewhere in the Annual Report) – Cont.

**(3) Disclosure under Section 6.31 (ix):**

There were no contracts existing during or at the end of the financial year in which a director of the Company was materially interested, directly or indirectly apart from those disclosed in the financial statements.

**(4) Disclosure under Section 6.31 (xii):**

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

	2014	2013	2012	2011	2010	2009
	\$	\$	\$	\$	\$	\$
Net profit/(loss) after tax	104,598	1,481,982	301,960	(29,139)	2,540,300	(593,716)
Current assets	2,263,537	2,114,276	2,339,740	2,638,185	3,659,024	2,145,230
Non-current assets	4,473,102	5,164,574	3,773,818	3,602,567	2,676,681	2,614,603
<b>Total assets</b>	<b>6,736,639</b>	<b>7,278,850</b>	<b>6,113,558</b>	<b>6,240,752</b>	<b>6,335,705</b>	<b>4,759,833</b>
Current liabilities	2,266,479	2,630,021	2,489,558	2,537,750	2,217,977	1,797,955
Non-current liabilities	21,503	-	-	-	4,625	855,729
<b>Total liabilities</b>	<b>2,287,982</b>	<b>2,630,021</b>	<b>2,489,558</b>	<b>2,537,750</b>	<b>2,222,602</b>	<b>2,653,684</b>
Shareholder's equity	4,448,657	4,648,829	3,624,000	3,703,002	4,113,103	2,106,149

**(5) Disclosure under Section 6.31 (xiii):****(a) Dividends per share:**

There were three dividend payments made during the year 2014. Dividends of \$0.02 was approved by the directors and declared on 20<sup>th</sup> December 2013. This was paid on 17<sup>th</sup> January 2014. Subsequently dividends of \$0.02 per share were paid on 27<sup>th</sup> June 2014 and on 12<sup>th</sup> November 2014 (total of \$457,153 was paid during the year 2014).

	2014	2013
	\$	\$
(b) Earnings per share:	0.01	0.19

(c) Net tangible assets per share:	0.58	0.60
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**(d) Share price during the year:**

	2014	2013
	\$	\$
Highest	2.00	2.00
Lowest	2.00	2.00
On 31st December	2.00	2.00

**Pacific Green Industries (Fiji) Limited**

**Listing requirements of the South Pacific Stock Exchange (unaudited and not included elsewhere in the Annual Report) – Cont.**

**(6) Disclosure under Section 6.31 (xvii):**

**Corporate Governance**

In June 2008, the Capital Markets Development Authority (now the Capital Markets Unit of Reserve Bank of Fiji) published the Corporate Governance Code for the Capital Markets (The Code). The Code attributes 10 core principles together with the best practice recommendations. This code is the basis for the Company corporate governance standards.

<b>Principle</b>	<b>Company's Response</b>
Establish clear responsibilities for board oversight	The Company Policy sets out the powers and duties of directors in terms of managing the Company effectively and efficiently.
Constitute an Effective Board	Directors are nominated by Shareholders at the Annual General Meeting and elected upon approval from major shareholders. One third of the total strength of the Board retires by rotation each year and is eligible for re-election.
Appointment of the Chief Executive Officer (CEO)	The Board appoints the Company Managing Director.
Board and Company Secretary	The Company Secretary is the administrative link between the Board and the Management and is responsible for ensuring compliance to company activities. All directors have access to the Company Secretary.
Timely and Balanced Disclosure	Board meetings are held regularly (at least twice yearly) to update the directors on the Company performance and get major decisions clarified and passed at Board level. The Company Managing Director and the Company General Manager are in constant contact with the directors for any issues arising within the Company. The Company periodically releases the required information to the public by way of market announcements, as required by the rules of the SPSE.
Promote ethical and responsible decision-making	The Company promotes and believes that all directors and employees uphold high standards, honesty, fairness, and equity in all aspects of their employment and association with the Company.
Register of interests	The interests of the Directors if any are noted during Board meetings.
Respect the rights of the shareholders	An Annual General Meeting is held every year in accordance with the Articles of Association of the Company. The Annual Report is also published each year and circulated to the shareholders of the Company.
Accountability and Audit	The Company is audited externally each year and receives an independent audit report which forms part of the Annual Report.  The Audit and Finance Committee is responsible for overseeing the financial reporting and disclosure process, performance and independence of the external auditors, monitoring risk management policies and practices with management.
Recognise and Manage Risk	The Company has in place a Risk Management Policy to ensure that key business and operational risks are identified and appropriate controls and procedures are put in place to manage those risks.



**Pacific Green Industries (Fiji) Limited**

**Listing requirements of the South Pacific Stock Exchange (unaudited and not included elsewhere in the Annual Report) – Cont.**

**(7) Disclosure under Section 6.31 (vi):**

**Board Meetings**

<b>Director</b>	<b>Number of Meetings held</b>	<b>Number of meetings Attended</b>	<b>Apology (AP)</b>
Mr Samuel Ram – Chairman (appointed 6th June 2014)	2	2	-
Mr Peter Ryan (resigned as Chairman 6th June 2014)	3	3	-
Mr Ravin Chandra	3	3	-
Mr Jaoji Koroi (alternate Mr. Suliano Ramanu)	3	1	Alternate
Mr Pita Mawi	3	3	-
Mr Soweni Tuidrola (appointed 14th June 2013)	3	3	-

**Board Sub-Committees:** The Board has two standing committees.

**(i) The Audit and Finance Committee inclusive of Risk and Compliance**

The Audit and Finance Committee inclusive of Risk and Compliance are selected by the Board and was formed in 2009. They are responsible for the external audit of the Company's affairs, reviewing half year and annual financial statements. They assist the Board in fulfilling its responsibilities by coming up with recommendations, advice and information concerning accounting and reporting responsibilities and evaluating risk management practices. The Committee meets twice a year or as required. The Committee comprises Mr. Pita Mawi and Mr. Ravin Chandra.

**(ii) The Strategic Sub Committee**

The Strategic Committee comprises all the Board members and is chaired by the Board Chairman. The Directors are briefed with their roles and responsibilities as Board members of the Group. The Group strategic plans are reviewed annually by all the Board members.

**The company Share Registry is maintained at its registered office and principal place of business in Fiji:**

Pacific Green Industries (Fiji) Limited  
Queens Road  
Malaqereqere  
Sigatoka  
Republic of Fiji  
Phone contact: 679 650 0055  
Fax contact : 679 6520 014

Company Secretary : Miss. Shabnam Prasad

**Pacific Green Industries (Fiji) Limited**

**Proxies**

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy please complete the enclosed form of proxy. This form must be received by the company by 10th June 2015 at 1:00pm. Proxy forms received later than this time will be invalid. A member entitled to attend and vote is entitled to appoint a proxy. A proxy need not be a member of the company.

The completed form of proxy may be :

1. Mailed to : PO Box 832, Sigatoka or
2. Faxed to : 6520014

**Form of Proxy**

**PACIFIC GREEN INDUSTRIES (FIJI) LIMITED  
ANNUAL GENERAL MEETING**

I/We\* \_\_\_\_\_ of \_\_\_\_\_  
being a member/members\* of Pacific Green Industries (Fiji) Limited, hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_  
or failing that \_\_\_\_\_ of \_\_\_\_\_,  
as my/our\* proxy to vote behalf at the Annual General Meeting of the Company, to be held at 1:00pm on 12 June 2015,  
and at any adjournment thereof.

As witnessed to my / our hands this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, at \_\_\_\_\_

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature of Member

**Voting on Business at the General Meeting**

Resolution	For	Against	Abstain
To adopt the Minutes of the previous Annual General Meeting held on 6th June 2014 as correct record of the Meeting.			
To adopt the Audited Financial Position and Comprehensive Income Statement and the reports of the Directors and Auditors, for the year ended 31 December 2014			
Re-election Mr. Peter Ryan			
Re-election Mr. Sowani Tuidrola			
Appointment of auditors of the company for the year 2015 and that the Board be authorised to fix their remuneration			
Approve a final dividend of \$0.02 per share to be declared			
<i>(Any other business in conformity with Articles of Association)</i>			

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll. A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.