



ANNUAL REPORT 2016

FUTURE FORESTS (FIJI) LIMITED

CORPORATE DIRECTORY

Directors

Mr Digby Bossley, Chairperson
Mr Masum Buksh, Managing Director
Mr James (Jim) Dunn
Mr Willibrordes Liebrechts (app 16 June 2016)
Mr Roderic Evers (app 16 June 2016)

Company Secretary

Mr Masum Buksh

Auditors

PricewaterhouseCoopers
Level 8, Civic Tower, 272 Victoria Parade Suva Fiji

Solicitors

Munro Leys
Lawyers & Notaries Public
Pacific House, Butt Street,
GPO Box 149, Suva, Fiji.
Phone +679 331 4188 Fax +679 330 2672

Bankers

Australia and New Zealand Banking Group Limited

Principal Registered Office and Company Office

Kadavu Cottages
Kadavu House
414 Victoria Parade, Suva, Fiji
GPO Box 15850
T (679) 3310022 F (679) 3310039
W www.fff.com.fj

Share Register and Share Transfer Agents

Central Share Registry Limited
Level 2 Provident Plaza 1
FNPF Boulevard
33 Ellery Street , Suva .
Telephone : +679 330 4130 Fax : 330 4145

Company Registration 16953
Number Tax Identification 50-15646-03

CONTENTS

Notice of the Annual General Meeting	2
Explanatory Notes	3
Proxy Forms	4
Voting on Business at the General Meeting	5
Summary Report	6
Corporate Governance	7
Financial Statements	10
Directors' Report	11
Statement by Directors	13
Independent Auditor's Report	14
Statement of profit or loss and other comprehensive	16
Balance Sheet	17
Statement of Changes in Equity	18
Cash Flow Statement	19
Notes to and forming part of the financial statements	20
Disclaimer on Unaudited Supplementary Information	39
Unaudited Supplementary Information	40

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of the Future Forests (Fiji) Limited (FFF or the Company) will be held at the Tanoa Plaza, Gordon Street, Suva on 6th December 2016 commencing at 2.30 p.m. for the purpose of transacting the following business;

AGENDA

General Business:

Minutes of the Previous Meeting held on 30th March 2016

To receive, consider and adopt the Minutes of the previous Annual General Meeting held on 30th March 2016 as correct record of the Meeting.

Ordinary Business:

- 1 Adoption of Financial Statements for year ended 30th June 2016.

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 30th June 2016.

- 2 Election of Directors

To consider and if thought fit, pass the following resolution as ordinary resolution to elect and confirm as a Director of the Board mr Greg Cornwall, who was coopted onto the board of Directors on 13 July 2016.

- 3 Appointment of Auditors

The Board proposes that PricewaterhouseCoopers be appointed auditors of the company for the year ending 30th June 2017 and that the Board be authorized to fix their remuneration.

- 4 Declaration of Dividends

The Board recommend that no dividend shall be declared or paid by the company for the year financial year ended 30th June 2016.

Other Business:

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

By order of the Board of Directors.



.....
Company Secretary

Dated: 28th October 2016 Suva, Fiji

EXPLANATORY NOTES

This Explanatory Note is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the Notice of Annual General Meeting.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

The following information should be noted in respect of the various matters contained in the Notice of Meeting.

Item 1 Adoption of Financial Statements

The Audited Financial Position and Comprehensive Income Statement and the reports of the Directors and Auditors included in the 2016 Annual Report is for the shareholders to read prior to the meeting.

As stipulated in the Articles of Association of the company, it is a requirement that the shareholders present at the AGM receive and adopt the Audited Financial Position and Comprehensive Income Statement and the reports of the Directors and Auditors of the company.

The Chairman of the meeting will allow a reasonable opportunity for shareholders to ask relevant questions about, or make comments on these reports. Shareholders will be given a reasonable opportunity to ask the company/ auditor questions about the conduct of the audit and the content of the Director's/Auditor's Report. Questions that cannot be answered at the AGM needs to be addressed through a market announcement by the company within a reasonable timeframe.

Item 2 Election of Directors

The Board proposes that Mr Greg Cornwall be appointed as director of the Company. The Board considers that Mr Cornwall possesses attributes necessary for the development of the Company.

Mr Cornwall was coopted onto the Board of Directors on 13 July 2016 and offers himself for appointment as a Director of the Company.

Citizenship: Fiji

Employment History:

Mr Cornwall worked as a General Manager in a number of well known resorts in Fiji as well as in Australia and Thailand.

Mr Cornwall is a minority shareholder in FFF.

Most recently Mr Cornwall held the position of Coordinator of the Hotel Management Programme at USP School of Tourism and Hospitality Management, Faculty of Business and Economics.

Currently Mr Cornwall manages a consulting firm with a major focus on resort and restaurant management actively promoting the use of local ingredients in restaurants.

Item 3 Appointment of Auditors

The Board proposes that PricewaterhouseCoopers be appointed auditors of the Company for the financial year ending 30 June 2017 and that the Board be authorized to fix their remuneration.

Pursuant to Section 162 of the Companies Act, every company shall, at each annual general meeting, appoint auditor or auditors to hold office from the conclusion of that, until the conclusion of the next, annual general meeting. The section also stipulates that the remuneration of the auditors may be fixed by the directors of the company upon approval from shareholders in a general meeting.

Item 4 Declaration of Dividends

The Board recommend that no dividend shall be declared or paid by the company for the financial year ended 30 June 2016.

Pursuant to Article 109 of the company's Articles of Association, the company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors. The directors may, from time to time, pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.

As a listed company, we are obliged to follow the format and structure entailed in the SPSE Listing Rules and guidelines when declaring dividends.

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 48 hours prior to AGM. 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 mailed to:

The Company Secretary, Future Forests (Fiji) Limited, P O Box 15850, Suva, Fiji Islands., or

Faxed to (679) 3310039

Share Folio No.....

No. of share Held.....

Form of Proxy

Future Forests (Fiji) Limited

ANNUAL GENERAL MEETING

I/We.....

of.....

being a member/members of Future Forests (Fiji) Limited

.....

of.....

or failing that.....

of.....

as my/our proxy to vote on behalf at the Annual General Meeting of the Company, to be held at 2.30 p.m. on 6th December 2016 and at any adjournment thereof.

As witnessed to my/our hands this.....day of.....2016,

at.....

.....

Signature of Witness

.....

Signature of Member

VOTING ON BUSINESS AT THE GENERAL MEETING

Resolution	For	Against	Abstain
<p>Minutes of the Previous AGM held on 30th March 2016.</p> <p>To receive, consider and adopt the Minutes of the previous Annual General Meeting held on 30th March 2016 as correct record of the Meeting.</p>			
<p>Adoption of the Financial Statements for the year ended 30th June 2016.</p> <p>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 30th June 2016.</p>			
<p>Election of Directors</p> <p>To consider and if thought fit, pass the following resolution as an ordinary resolution:</p> <p>In accordance with Article 76 of the Company's Constitution, Elect Director Greg Cornwall being eligible offers himself for appointment as a Director of the Company.</p>			
<p>Appointment of auditors of the company for the year 2017.</p> <p>The Board proposes that PricewaterhouseCoopers be appointed auditors of the company for the year ending 30th June 2017 and that the Board be authorized to fix their remuneration.</p>			
<p>Declaration of Dividends.</p> <p>The Board recommend that no dividend shall be declared or paid by the company for the year financial year ended 30th June 2015.</p>			
<p>Any other business in conformity with Articles of Association</p>			

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 to 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.

DIRECTORS' REPORT

Dear Shareholder,

In February 2016, the company was severely affected by Category 5 Severe Tropical Cyclone Winston, a force majeure, which devastated the FFF Nursery facility and teak plantations in Ra.

The Board of Directors alerted the market and following an independent assessment of damage to the Ra plantations approved a provision to write down the biological asset value of the FFF teak plantations. At the AGM held on 30 March 2016 and the EGM on 16 June 2016 presentations were given to the stakeholders regarding the impacts of Cyclone Winston and poor growth performance of the Sigatoka plantations which were not damaged by TC Winston. Subsequent Ra plantation damage assessments after the June 30th 2016 balance date determined that the entire Ra Teak Plantation asset should be written down due to cyclone damage. Also post balance date inspection of the company's Sigatoka teak plantations recommended these plantations be written down. While these plantations were not damaged by Cyclone Winston, fires, lack of weeding (because of financial constraints) and some poor sites reduced growth rates below commercial requirements. Therefore the entire FFF plantation estate of 229.81 hectares has been written down. The company has commenced some trials to reestablish the Ra teak plantations and should funding be available the company will clean up and prune the Ra Plantations and recommence weeding and pruning at the Sigatoka plantations.

Prior to the cyclone, the company maintained a tight control of expenditure, which included no new planting or tending and silviculture activities of existing plantations.

The sawmill operations had ceased in the 2015 financial year due to unreliable logging contractors, and financial constraints. No further sawmilling was done during the 2016 financial year due to these factors and the impacts of Cyclone Winston on the sawmill facilities. The Board received approval from FDB to sell the sawmill, if a reasonable offer could be secured.

The company had secured a contract to supply F\$1.6 million worth of Teak (*Tectona Grandis*) seedlings to the Reforestation Project in the 2016 and 2017. After the cyclone, as a result of the devastation and limited cash reserves the company was only able to supply part of the seedlings. In June 2016 the company secured a new seedling contract with the SPC project. The company has two current contracts with the Reforestation Project to plant 260 and 500 hectares of Teak and other tree species. Implementation of these contracts could see the FFF plantation estate be restored to even a greater area than pre cyclone Winston. The company will pursue these contracts and commence planting if funding is available.

In May 2016 the existing independent board of directors gave notice of their intention to resign on the 30th of June 2016. The Independent Chairman stayed on until July 14th 2016. Two new directors were confirmed at the 16 June 2016 EGM and a third director was coopted onto the board on 14 July 2016.

In June and July 2016, the company raised new equity and issued new shares through a private placement and used the equity to stabilize the company's operations by settling trade creditors, recommencing payments to FDB, rebuilding the nursery facility in Tova and repairing vehicles, machinery and equipment. At the end of October 2016 the first Teak seedlings started germinating. The company is projected to deliver at least 320,000 teak seedlings and stumps to SPC from January till March 2017. Sawmilling operations recommenced in October 2016 with the first sawn pine produced at the new sawmill site next to the nursery facility.

The Company continues to maintain a good relationship with its main creditor, Fiji Development Bank.

The board of directors will continue to explore opportunities to optimize shareholders' investment.

Board of Directors

31 October 2016

CORPORATE GOVERNANCE

Future Forests (Fiji) Limited (FFF or the Company) acknowledges the requirements to report on the Company's Corporate Governance Code.

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 Market (The Code). The Code articulates 10 core principles together with the best practice recommendations. This code is the basis for the Company's governance standards.

On a continuous basis FFF has reviewed its existing policies and has codified / modified policies in line with its goal to improve the standard of corporate governance.

Role of the Board

The role of the Board is to assume accountability for the success of the company by taking responsibility for its direction and management in order to meet its objective of enhancing shareholder value.

The Board

Directors are elected by shareholders at the Annual General Meeting (AGM). Any director so appointed shall hold office only until the next following AGM of the Company, and shall be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at

that meeting. Casual vacancies during the year are filled up by the Board till the conclusion of the next AGM.

As at the Balance date, the Directors in Office were Messrs Digby Bossley, Masum Buksh and Jim Dunn, Mr Roderic Evers and Mr Willibrordes Liebrechts.

Directors are paid a Board fee for their service rendered during the year. They are entitled to receive an annual fee of \$6,000. Directors are expected to prepare for and attend Board meetings and work at least an addition of 5 hours per month for the Company.

Directors are also covered under a Directors and Officers' Liability Insurance Policy.

Meetings of the Board

The regular business of the Board during its meetings covers business investments and strategic matters, governance and compliance, the General Manager's report and financial report.

Member's attendance at the Board meetings, during the financial year under review:

The Board met 7 times during the financial year under review.

Director	Number of meetings entitled to attend	Number of meetings attended	Apologies Received
Digby Bossley	7	7	0
Jim Dunn	7	7	0
Masum Buksh	7	7	0
Roderic Evers	3	2	0
Willibrordes Liebrechts	1	1	0

Committees of the Board

The Board has formally constituted 1 Committee:

- Audit and Finance Committee

As at the Balance date, the Audit and Finance Committee comprised Messrs Masum Buksh and James (Jim) Dunn. The Audit and Finance Committee is responsible for

monitoring the external audit of the Company's affairs, reviewing the half-year and annual financial statements, and monitoring the Company's compliance with applicable laws and stock exchange requirements. In July 2016 the new board of directors resumed the role of the Audit and Finance Committee.

Responses to the Guidelines on Corporate Governance issued by Reserve Bank of Fiji:

Principle	Company's response
Establish clear responsibilities for Board Oversight	The FFF Memorandum & Articles of Association set out the powers of the directors in terms of managing the company effectively and efficiently. The Company continuously reviews its policy guidelines to strengthen the oversight role.
Constitute an effective Board	Directors are selected for their experience and competencies and are inducted and evaluated on their basis of their suitability for the Board. The Board has adequate independent directors.
Appointment of a Managing Director (MD)	During the financial year, the company employed a suitably qualified and competent Managing Director with over 30 years of domestic and international experience. He is professionally qualified with Masters of Business Administration (MBA) and a Graduate Diploma in Management from the University of Sunshine Coast (Australia). He also holds a Diploma in Practical Bookkeeping and Accounts from The British Careers Training College (Britain).
Board and Company Secretary	The company has appointed a suitably qualified and competent Company Secretary. He is professionally qualified with degree in Masters of Business Administration (MBA), Australia. The Company Secretary maintains a close link with the Board and the Advisors to the Board.
Timely and balanced disclosure Promote ethical and responsible decision making	Board meetings are held at least once two months. The Board appraises company's performance and major decisions are deliberated and passed at Board level. Progress on carrying out strategies is reviewed at these meetings. The GM is also 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 under the rules of the SPSE.
Register of Interests	FFF promotes and believes that all directors and employees uphold high ethical standards, honesty, fairness and equity in all aspects of their employment and association with the Company.

Principle	Company's response
Respect the rights of 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	FFF 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 internal control processes, reviewing adequacy of the internal audit function and discussing risk management policies and practices with management.
Recognize and Manage Risk	The Executive Management of the Company ensures that key business and operational risks are identified and appropriate controls and procedures are put in place to manage those risk.

Top 20 Shareholders Report

Security: FFF FUTURE FORESTS (FIJI) LIMITED

Share Class: Ordinary Shares	No. Of Shares	Total % Holdings
Shareholder Name		
PAUL EVERS AFT EVERS FAMILY TRUST	6,822,950	32.18
JEFFREY YOON LIEW	4,312,100	20.34
TAREI WEEKS & RODERIC EVERS	4,274,900	20.16
JOHN KENNON SHEA ATF 2009 SHEA FAMILY TRUST	538,773	2.54
VAN HEEMSTRA HOLDING BV	485,036	2.29
GRAHAM THOMAS SHEA	359,030	1.69
ARNOLDUS GIJSBERTUS LEENDERS & ANNA BAUKJE DE JONG	280,904	1.32
YVONNE SHANAHAN	253,397	1.20
STRONGHOLD INVESTMENT INC	241,900	1.14
CAMERON NOBLE	216,000	1.02
ALEXANDER JAMES THOMAS HANDS	209,206	0.99
GREG THOMPSON ATF THOMPSON SUPERANNUATION FUND PTY LTD	188,530	0.89
PIETER CASPER SMIT	188,394	0.89
HANS HEKELAAR	171,377	0.81
TILLMAN ANDREW BRUETT & JAMES BRIAN NASTUS	164,067	0.77
PIERO PIVA	161,747	0.76
SCOTT SMERECZNIAK & BERNADINE (CAROL) FLORE-SMERECZNIAK	148,000	0.70
JOHN MALCOLM FINN	134,150	0.63
HENDRICUS NICOLAAS OVERMARS	132,933	0.63
PETER MULLER & EVELYNE DE GRAAF	129,281	0.61
TOTALS:	19,412,675	91.57

**FUTURE FORESTS (FIJI) LIMITED
FINANCIAL STATEMENTS
30 JUNE 2016**

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the Directors herewith submit the balance sheet of the company as at 30 June 2016, and the related statements of profit or loss and other comprehensive income, cash flow and changes in equity for the year ended on that date and report as follows:

1. DIRECTORS

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

Mr Digby Bossley (resigned 14 July 2016)
Mr James Dunn (resigned 1 July 2016)
Mr Masum Buksh (resigned 1 July 2016)
Mr Roderic Evers (appointed (16 June 2016)
Mr Willibrodes Liebrechts (appointed 16 June 2016)
Mr Greg Cornwall (co-opted 13 July 2016)

2. PRINCIPAL ACTIVITIES AND OPERATIONS

Future Forests (Fiji) Ltd is Fiji's first commercial hardwood forest plantation company specializing in the growing of teak trees (*Tectona grandis*) for timber production and exports. The sale of teak seedlings is the other core activity of the company. Natural disaster Tropical Cyclone Winston (20 Feb 2016) has had significant impact on the company's operations and assets.

3. TRADING RESULTS

The net loss for the company for the year ended 30 June 2016 was \$5,334,440 (2015: \$383,207). Included in the net loss for 2016 is a write-down of plantations of \$4,664,392 (2015: gain in fair value of plantation of \$148,115).

4. DIVIDENDS

The Directors recommend that no amounts be paid as dividend in respect of the year ended 30 June 2016.

5. RESERVES

The Directors recommend that no amounts be transferred to reserves for the year ended 30 June 2016.

6. CURRENT ASSETS

The Directors took reasonable steps before the company's financial statements were made out to ascertain that the current assets of the company were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of 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 accounts misleading.

DIRECTORS' REPORT – continued

7. BASIS OF ACCOUNTING

The financial statements of the company have been drawn up in accordance with the International Financial Reporting Standards and the requirements of law. The financial statements of the Company have been prepared on a going concern basis. The ability of the Company to continue as a going concern is dependent on several factors including its ability to generate new business and positive cash flows, and on-going support of the lenders. The directors are confident of the ability of the company to continue as a going concern, which contemplates continuity of business activities and the realisation of assets and the payment of liabilities in the normal course of business.

8. OTHER CIRCUMSTANCES

The results of the company's operations during the financial 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.

9. UNUSUAL TRANSACTIONS

The results of the company's operations during the financial 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.

10. EVENTS SUBSEQUENT TO BALANCE DATE

The company approved a Private Placement to issue up to 10,000,000 new shares to raise new capital in June 2016. New equity was received in the 2017 financial year and mainly used to rebuild the nursery facility, to settle payables and recommence FDB loan repayments.

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

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

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

11. 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 shown in the company's financial statements) by reason of a contract made with the company or a related corporation with the director or with a firm of which the director is a member, or in a company in which the director has a substantial financial interest.


For and on behalf of the Board



Director

7 October 2016

Date



Director

7 October 2016

Date

STATEMENT BY DIRECTORS

In the opinion of the Directors:

- (a) the accompanying statement of profit or loss and other comprehensive income is drawn up so as to give a true and fair view of the results of the company for the year ended 30 June 2016;
- (b) the accompanying balance sheet is drawn up so as to give a true and fair view of the state of the company's affairs at 30 June 2016;
- (c) the accompanying statement of changes in equity is drawn up so as to give a true and fair view of the movement in shareholders' funds for the year ended 30 June 2016;
- (d) the accompanying cash flow statement is drawn up so as to give a true and fair view of the cash flows of the company for the year ended 30 June 2016;
- (e) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due; and
- (f) all related party transactions have been adequately recorded in the books of the company and reflected in the attached financial statements.

For and on behalf of the Board of Directors by authority of a resolution of the Directors.



Director

7 October 2016

Date



Director

7 October 2016

Date



Independent Auditor's Report

To the Shareholders of Future Forests (Fiji) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Future Forests (Fiji) Limited (the 'Company'). The financial statements comprise the balance sheet of the Company as at 30 June 2016 and the statement of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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.



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 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matters

- a) We draw attention to Note 12 in the financial statements which relates to the basis used to fully write-down the value of company's plantation. As noted in Note 12, the future value of the plantation depends on how the plantation recovers from the impact of Cyclone Winston and the rehabilitation works that is undertaken by the company. Consequently the company may be able to recover some of the value written down in the current year. Our opinion is not qualified in respect of this matter.
- b) We draw attention to Note 2.1(c) to these financial statements, which states that the company has negative cash flows from operating activities for the year ended 30 June 2016 of \$158,945, and has made an operating loss of \$5,334,440 for the year ended 30 June 2016. As at year end, its current liabilities exceeded its current assets by \$1,087,596 and the company has net liabilities of \$1,681,072 as at that date. This, along with other matters as described in Note 2.1(c), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

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.

7 October 2016
Suva, Fiji

PricewaterhouseCoopers
PricewaterhouseCoopers
Chartered Accountants

FUTURE FORESTS (FIJI) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	2015 \$
Revenue		321,194	450,645
Gain arising from changes in fair value less costs to sell of plantations	12	-	148,115
Plantation written-down during the year	12	(4,664,392)	-
Other income	7	1,653	4,726
Nursery, planting, administration and other costs		(816,491)	(816,008)
Finance costs		(176,404)	(170,685)
Loss before tax	6	(5,334,440)	(383,207)
Income tax expense	8	-	-
Loss for the year from continuing operations		(5,334,440)	(383,207)
Other comprehensive income for the year: Gain on revaluation of freehold land (Net of tax)	21	<u>998,542</u>	<u>-</u>
Total comprehensive loss for the year		<u>(\$ 4,335,898)</u> =====	<u>(\$ 383,207)</u> =====
Basic earnings per share	20(a)	<u>(\$ 0.25)</u> =====	<u>(\$ 0.02)</u> =====
Diluted earnings per share	20(b)	<u>(\$ 0.23)</u> =====	<u>(\$ 0.01)</u> =====

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

FUTURE FORESTS (FIJI) LIMITED


BALANCE SHEET
30 JUNE 2016

	Notes	2016 \$	2015 \$
CURRENT ASSETS			
Cash on hand and at bank	9	(2,274)	(8,136)
Held-to-maturity investments	10	-	114,000
Trade and other receivables	11	7,990	27,240
Inventories	13	<u>97,964</u>	<u>24,416</u>
		<u>103,680</u>	<u>157,520</u>
NON-CURRENT ASSETS			
Held-to-maturity investments	10	-	41,000
Plantations	12	-	4,664,392
Property, plant & equipment	14	<u>1,839,785</u>	<u>816,612</u>
		<u>1,839,785</u>	<u>5,522,004</u>
TOTAL ASSETS		<u>1,943,465</u>	<u>5,679,524</u>
CURRENT LIABILITIES			
Borrowings	15	63,273	62,397
Payables	18	<u>1,128,003</u>	<u>659,061</u>
		<u>1,191,276</u>	<u>721,458</u>
NON-CURRENT LIABILITIES			
Borrowings	15	939,057	954,387
Convertible notes	16	1,383,255	1,348,853
Deferred capital gains tax liability	8	<u>110,949</u>	<u>-</u>
		<u>2,433,261</u>	<u>2,303,240</u>
TOTAL LIABILITIES		<u>3,624,537</u>	<u>3,024,698</u>
NET (LIABILITIES) / ASSETS		<u>(\$ 1,681,072)</u>	<u>\$ 2,654,826</u>
SHAREHOLDERS' EQUITY			
Share capital	19(a)	212,008	212,008
Share premium reserve	19(b)	3,062,517	3,062,517
Convertible notes - equity component	16	139,055	139,055
Asset revaluation reserve	21	998,542	-
Accumulated Loss		<u>(6,093,194)</u>	<u>(758,754)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>(\$ 1,681,072)</u>	<u>\$ 2,654,826</u>


The above balance sheet should be read in conjunction with the accompanying notes.

These financial statements are approved in accordance with the resolution of the Board of Directors.

For and on behalf of the Board



Director



Director

FUTURE FORESTS (FIJI) LIMITED

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 30 JUNE 2016

	Note	Share capital	Share premium reserve	Convertible notes - equity component	Asset revaluation reserve	Accumulated profits/ (losses)	Total
Balance as at 30 June 2014		<u>212,008</u>	<u>3,062,517</u>	<u>139,055</u>	-	<u>(375,547)</u>	<u>3,038,033</u>
<i>Comprehensive income</i>							
Loss for the year		-	-	-	-	(383,207)	(383,207)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(383,207)</u>	<u>(383,207)</u>
Balance as at 30 June 2015		<u>212,008</u>	<u>3,062,517</u>	<u>139,055</u>	-	<u>(758,754)</u>	<u>2,654,826</u>
<i>Comprehensive income</i>							
Loss for the year		-	-	-	-	(5,334,440)	(5,334,440)
<i>Other comprehensive income</i>							
Gain on asset revaluation - net of tax	21	-	-	-	998,542	-	998,542
Total comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>998,542</u>	<u>(5,334,440)</u>	<u>(4,335,898)</u>
Balance as at 30 June 2016		<u>\$ 212,008</u>	<u>3,062,517</u>	<u>\$ 139,055</u>	<u>\$ 998,542</u>	<u>(\$ 6,093,194)</u>	<u>(\$ 1,681,072)</u>

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

FUTURE FORESTS (FIJI) LIMITED**CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Proceeds from customers		337,805	453,229
Payments to suppliers and employees		(324,637)	(549,010)
Cash used in operations		13,168	(95,781)
Interest received		4,291	20,414
Interest paid		(176,404)	(120,260)
Net cash used in operating activities		(158,945)	(195,627)
Cash flows from investing activities			
Net proceeds from held-to-maturity investments		155,000	111,184
Acquisition of property, plant and equipment		(41,601)	(3,267)
Net cash generated from investing activities		<u>113,399</u>	<u>107,917</u>
Cash flows from financing activities			
(Repayment) of / loan from directors and management		(9,000)	21,000
Loan from other related parties		74,861	98,000
Net (repayment)/ proceeds from borrowing		(14,453)	4,644
Net cash from financing activities		<u>51,408</u>	<u>123,644</u>
Net increase in cash on hand and at bank		5,862	35,934
Cash on hand and at bank at the beginning of the financial year		(8,136)	(44,070)
Cash on hand and at bank at the end of the financial year	9	<u>(\$ 2,274)</u>	<u>(\$ 8,136)</u>

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

1. GENERAL INFORMATION

Future Forests (Fiji) Limited (“the company”) specialises in the growing of teak trees (*Tectona grandis*) for timber production and export. The sale of teak seedlings is the other core activity of the company.

The company is a public company incorporated and domiciled in Fiji and is listed on the South Pacific Stock Exchange (SPSE). Pursuant to Cyclone Winston and the significant damages it caused to the company’s plantation, at the company’s request, the SPSE on 25 February 2016 suspended the trading of the company’s shares on the exchange. The address of the registered office is at 414 Victoria Parade, Suva.

The financial statements were authorised for issue by the Board of Directors on 7 October 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied by the company except where otherwise indicated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Fiji Companies Act, 1983 and International Financial Reporting Standards (IFRS). They have been prepared under the historical cost convention except where specifically stated to be at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

(a) New and amended standards adopted by the company

There are no IFRSs or IFRS IC interpretations that are effective for the first time for the financial year beginning on or after 1 July 2015 that have a material impact on the company.

(b) New standards, amendments and interpretations issued but not effective

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these financial statements. 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’	Addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in September 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset.	Annual periods beginning on or after 1 January 2018

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2.1 Basis of preparation - continued

(b) New standards, amendments and interpretations issued but not effective - continued

Topic	Key Requirements	Effective Date
IFRS 9, 'Financial instruments'– continued	Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.	Annual periods beginning on or after 1 January 2018
IFRS 15, 'Revenue from contracts with customers'	This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.	Annual periods beginning on or after 1 January 2017
IFRS 16, 'Leases'	This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.	Annual periods beginning on or after 1 January 2019 with earlier application permitted if IFRS 15, 'Revenue from Contracts with Customers', is also applied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2.1 Basis of preparation - continued

(c) Going concern

The company has negative cash flows from operating activities for the year ended 30 June 2016 of \$158,945 (2015: \$195,627) and has made an operating loss of \$5,334,440 for 2016 (2015: \$383,207). As at year end, its current liabilities exceeded its current assets by \$1,087,596 and the company has net liabilities of \$1,681,072 as at that date. These matters indicate the existence of a material uncertainty which may cast a significant doubt about the ability of the company to continue as a going concern

The financial statements have been prepared on a going concern basis which contemplates continuity of business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The business is in its early years of teak plantation development which requires capital expenditure. In order to sustain the operations, the company has been pursuing other revenue sources of cash flow including sawmilling operations, sale of seedlings and consulting services. In the current financial year, the company's teak plantation sustained significant damages from Cyclone Winston and the company now relies primarily on the other sources of income noted above.

Shareholders and directors have provided loans to the company for purposes of short term financing. The directors are also confident of the continued support from their major financier, the Fiji Development Bank. The Board is pursuing all its options aggressively. On 16 June 2016 at a FFF Extraordinary General Meeting a private placement to raise new equity was approved.

Subsequently, \$500,000 new equity was raised including \$202,000 cash and the balance in long term debt reduction and issue of shares in lieu of management salaries. With the new capital the company has been able to commence rebuilding the Nursery Facility for seedling production and meet its immediate financial obligations. The company continues to supply seedlings to a reforest project under the existing contract and has signed a new contract to supply seedlings. The company has secured the supply of pine logs in Ra province to recommence sawmilling.

Taking into account all the above factors, the Directors consider the application of the going concern principle to be appropriate in the preparation of the financial statements of the company.

2.2 Property, plant and equipment

All property, plant and equipment, other than Freehold land, is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

During the current financial year, the company changed its accounting policy on Freehold land. Previously the land used to be accounted for at cost. From this year, the company has adopted the revaluation model under the International Accounting Standard no 16 whereby Freehold land will be carried at fair value. The fair value is based on valuations by external independent valuers. Valuations will be performed with sufficient regularity to ensure that the fair value of the revalued asset does not differ materially from its carrying amount. The carrying value of Freehold land in the current financial period reflects its fair value.

Increases in the carrying amount arising on revaluation of land is credited to other comprehensive income and shown as asset revaluation reserve in shareholders' equity.

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**2.2 Property, plant and equipment - continued**

Property, plant and equipment, with the exception of freehold land, are depreciated at rates calculated to write off each asset over its estimated useful life. The rates and methods of depreciation used are:

	<u>Rate</u>	<u>Method</u>
Motor Vehicles	20%	Straight line
Computer Software	40%	Straight line
Equipment	12% - 24%	Straight line
Building	2.5%	Straight line

Freehold land is not depreciated.

Profits and losses on disposal (if any) of property, plant and equipment are taken into account in determining the results for the year.

2.3 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It 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, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; 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 sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

2.4 Trade and other creditors

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid.

2.5 Plantations

Plantations are stated at fair value less estimated costs to sell at the harvesting stage. Fair value less costs to sell is determined using the present value of expected future cash flows using the market price of the estimated recoverable wood volumes expected from the plantations based on a 22 year rotation less costs to sell at the point of harvest and net of forestry, harvesting, roading and transport costs. The valuation is based on certain key assumptions and best estimates. These assumptions and estimates have been determined by the directors using the most recent information and market data available and may not reflect the actual value.

The gain or loss on initial recognition and subsequent changes in fair value less costs to sell of the plantations is recognised in profit or loss in the period in which it arise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**2.6 Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

2.7 Revenue recognition

Revenue consists of sale of teak tree seedlings. It is recognised at invoice price once goods have been delivered to the customer.

2.8 Financial assets

The company classifies its financial assets into held to maturity and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities where the management has the positive intention and ability to hold to maturity.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The company's loans and receivables comprise 'Trade and other receivables' in the balance sheet.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and 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). Non-financial assets that have been impaired are reviewed for possible reversal of the impairment at each reporting date.

2.10 Compound financial instruments – convertible notes

Compound financial instruments issued by the company comprise convertible notes that are convertible to shares at the end of 5 years or earlier at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. Upon conversion, the liability component will be transferred to equity at the prevailing carrying amount of the convertible note. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**2.11 Employee entitlements**

Liabilities for wages and salaries and annual leave are recognised and are measured as the amount unpaid at the reporting date at the current pay rates in respect of employees' services up to that date.

2.12 Cash and cash equivalent

Cash on hand and at bank are carried in the balance sheet at cost.

2.13 Segment information

A business 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 business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The company only sells seedlings at this point in time and operates predominantly in one geographical segment and therefore no segment disclosures have been made in the financial statements.

2.14 Basic earnings per share

Basic earnings per share are determined by dividing the profit for the year of the company by the weighted average number of ordinary shares in issue during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has one category of dilutive potential ordinary share being the convertible notes. The convertible note is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense.

2.15 Share-based payments

The company operates a number of equity-settled, share-based compensation plans, under which the company provided equity instruments as compensation for services received from directors and consultants. The value of the services received in exchange for the grant of the shares is recognised as an expense. No such equity instruments were issued in the current financial year.

2.16 Reporting currency

All figures are reported in Fijian currency.

2.17 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

3. FINANCIAL RISK MANAGEMENT

Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk, fair value interest rate risk and commodity price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by management, using policies as advised by the Board of Directors. Management identifies and evaluates financial risks, and assists the Board in developing policies for overall risk management.

(a) Market risk

(i) Foreign exchange risk

The company's purchase of goods and services in foreign currencies is limited and hence its exposure to foreign currency risk is minimal.

(ii) Cash flow interest rate risk and fair value interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

The company's interest rate risk arises from long-term borrowings, convertible notes and fair value of plantations.

The company has a borrowing which has a fixed interest rate of 5% up until June 2018 and is subject to review thereafter. This limits volatility in interest rates applicable to the borrowing and the Company's exposure to the same.

Convertible notes pay fixed interest of 7.5% on each note per annum and therefore exposure to changes in interest rate is minimal.

The convertible notes issued in 2012 were measured at fair value on initial recognition using an interest rate of 10.15% as the discount rate. These convertible notes are not subject to fair value re-measurement in the future. As such, the company's exposure to fair value interest rate risk is minimal.

(b) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's cash investments.

Credit risk arises from cash on hand and at bank, deposits with banks and financial institutions. For banks and financial institutions, only reputable parties are acceptable.

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

3. FINANCIAL RISK MANAGEMENT - continued

Financial risk factors - continued

(c) Liquidity risk

Sound liquidity risk management requires maintaining sufficient cash in the business to meet its present obligations.

Management constantly monitors the forward cash requirements of the business to ensure liquidity reserves in the form of cash and cash reserves can meet these requirements.

A summary of the maturity analysis of the company's borrowings and liabilities at 30 June, 2016 is set out below on an undiscounted basis:

	Up to 1 year \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Total \$
As at 2016					
Borrowings (Note 15)	63,273	66,510	220,541	652,006	1,002,330
Convertible notes (Note 16)	1,383,255	-	-	-	1,383,255
Payables (Note 18)	<u>1,128,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,128,003</u>
Total	\$2,574,531	\$ 66,510	\$ 220,541	\$ 652,006	\$ 3,513,588
	=====	=====	=====	=====	=====
As at 2015					
Borrowings (Note 15)	62,397	65,726	217,953	670,708	1,016,784
Convertible notes (Note 16)	-	1,348,853	-	-	1,348,853
Payables (Note 18)	<u>659,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>659,061</u>
Total	\$ 721,458	\$ 1,414,579	\$ 217,953	\$ 670,708	\$ 3,024,698
	=====	=====	=====	=====	=====

4. CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital and be in compliance with statutory requirements.

In order to maintain or adjust the capital structure, the company may issue new shares or sell assets to reduce debt.

The company has been operating with limited cash reserves, which is projected to continue for the remainder of the financial year

The company 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 (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash on hand and at bank. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

The gearing ratio of the company at balance date is as follows:

	2016 \$	2015 \$
Total borrowing (Note 15, 16)	2,385,585	2,365,637
Add/(Less): Cash on hand and at bank (Note 9)	<u>2,274</u>	<u>8,136</u>
Net debt	2,387,859	2,373,773
Total capital	(1,681,072)	2,654,826
Gearing ratio	(142%)	89%

5. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements require 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. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 2.8: Financial assets

Note 2.9: Impairment of non-financial assets

Note 2.5 and Note 12: Plantations

Note 16: Compound financial instruments – convertible notes

6. LOSS BEFORE INCOME TAX

Loss before income tax has been determined after:

	2016	2015
	\$	\$
Charging as expense:		
Auditors remuneration:		
Audit fees	10,000	12,000
Other services	9,376	4,000
Depreciation	93,082	97,810
Loss on disposal of property, plant and equipment	34,839	-
Directors fees	18,000	18,000
Salaries and wages	318,183	256,476
FNPF	24,588	21,694

Salary and wages includes \$120,000 remuneration for the General Manager, who is a director.

7. OTHER INCOME

	2016	2015
	\$	\$
Grant amortisation	-	1,824
Loss on sale of property, plant and equipment	-	(69)
Interest income	<u>1,653</u>	<u>2,971</u>
	<u>\$ 1,653</u>	<u>\$ 4,726</u>
	=====	=====

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

8. INCOME TAX

8.1 Income Tax Expense

	2016 \$	2015 \$
Operating loss before income tax	(5,334,440)	(383,207)
	=====	=====
Prima facie income tax credit @ 10% (2015: 10%)	(533,444)	(38,321)
Tax effect of:		
Gain arising from changes in fair value less costs to sell of the plantations	-	(14,812)
Plantation written-during the year	466,439	-
Other temporary differences	4,525	4,185
Tax losses for which no deferred tax asset was recognised	64,958	49,490
Temporary differences on movement in provisions and differences in tax and accounting depreciation not brought to account	(2,478)	(542)
	(2,478)	(542)
Income tax expense attributable to tax loss	\$ Nil	\$ Nil
	=====	=====

8.2 Deferred tax asset

Potential deferred income tax asset arising from accumulated tax losses amounting to \$2,589,999 (2015: \$2,987,432) has not been recognised as an asset because it is not probable that future taxable profits will be available against which the deferred tax assets can be utilised. Tax losses of \$1,048,833 were forfeited in the current year.

8.3 Deferred capital gains tax liability

The company has booked deferred capital gains tax liability at \$110,949 (2015:\$Nil) that may arise if its freehold land were to be sold at year end at its fair value as at that date. The capital gains tax is provided in accordance with the Capital Gain Tax Decree 2011 at the rate of 10%.

9. CASH AND CASH EQUIVALENT

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and on hand and bank overdraft. Cash and cash equivalents at the end of the year as shown in the cash flow statement are reconciled to the balance sheet as follows:

	2016 \$	2015 \$
Cash on hand	-	500
Cash at bank	(2,274)	(8,636)
	(2,274)	(8,136)
	=====	=====

The company does not have a bank overdraft facility. The negative cash at bank above represents overdrawn cash at bank account at year end and cheques which had been issued but not presented at the bank at year end.

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

10. HELD-TO-MATURITY INVESTMENTS

	2016 \$	2015 \$
Current assets		
Maturing in:		
Less than or equal to 3 months	-	-
3 to 12 months	<u>-</u>	<u>114,000</u>
	\$ -	\$ 114,000
	=====	=====
Non-current assets		
Maturing in:		
1 to 5 years	\$ -	\$ 41,000
	=====	=====

Term deposits are held with financial institutions and attract interest rates ranging from 2.80% to 3.55% per annum.

11. TRADE AND OTHER RECEIVABLES

	2016 \$	2015 \$
Trade receivables	15,759	19,961
Less: provision for impairment of trade receivables	<u>(15,759)</u>	<u>(16,081)</u>
	-	3,880
Owing from related parties	75,613	75,613
Less: provision for impairment on owing from related parties	<u>(75,613)</u>	<u>(75,613)</u>
	-	-
Prepayments	7,990	20,690
Interest receivable	<u>-</u>	<u>2,670</u>
	\$ 7,990	\$ 27,240
	=====	=====

As of 30 June 2016, trade receivables of \$Nil (2015: \$3,579) were fully performing. As of 30 June 2016, trade receivables of \$Nil (2015: \$301) were past due but not impaired. These relate to customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2016 \$	2015 \$
Over 1 month	-	-
Over 2 months	<u>-</u>	<u>301</u>
	\$ -	\$ 301
	=====	=====

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

11. TRADE AND OTHER RECEIVABLES - continued

The individually impaired receivables mainly relate to balances that are either in dispute or where the customer is facing financial difficulties. The ageing of these receivables is as follows:

	2016 \$	2015 \$
Over 1 month	-	-
Over 2 months	<u>15,759</u>	<u>16,081</u>
	\$ 15,759	\$ 16,081
	=====	=====

Movements in the provision for impairment of trade and other receivables are as follows:

	2016 \$	2015 \$
At 1 July	91,694	91,694
Provision for impaired receivables	-	-
Provision utilized during the year	<u>(322)</u>	<u>-</u>
At 30 June	\$ 91,372	\$ 91,694
	=====	=====

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. Due to their short-term nature, the carrying values of the above assets are representative of their fair value. The company does not hold any collateral as security.

12. PLANTATIONS

The company owns approximately 229 hectares (2015: 229 hectares) of teak plantations and its principal business activity comprises the growing of teak trees (*Tectonis grandis*) for timber production and exports.

On 20 February 2016, category 5 Tropical Cyclone Winston made landfall in Ra province on the island of Viti Levu. It tracked directly over the company's teak plantations and nursery in Ra Province and devastated them. TC Winston stripped the teak trees of all leaves and bark, and many trees were broken halfway or had fallen over.

A report on the impact of TC Winston on the teak plantations was published through the South Pacific Stock Exchange informing shareholders and the public of the damage caused by TC Winston. In August 2016 the company undertook another assessment to determine the longer term damage and potential for recovery of the teak plantations. The assessment noted that many trees which remained standing were regenerating foliage, but continued to show serious signs of damage.

The board of directors are of the opinion that, as at 30 June 2016 and 30 September 2016, it is too early to determine the level and extent of permanent damage to the teak plantations and the level and extent of the potential of the teak plantations to recover from TC Winston.

The board of directors has approved to write down the value of the FFF teak plantations in Ra Province to \$Nil as at 30 June 2016 on the basis that the plantation is as at balance date of not much value given the extent of damages sustained.

The board of directors is of the opinion that some teak plantations in Ra province may recover. The company will undertake to remove the fallen logs and apply silviculture management including weeding and pruning, on the condition that funds will be available during the 2017 financial year.

12. PLANTATIONS - continued

The teak plantations in Ra province will be reassessed in June 2017. The teak plantations which have recovered sufficiently and are considered commercially viable may be valued at fair value of biological assets in accordance with the accounting standards.

The only teak plantation outside of Ra Province is near Sigatoka in Nadroga province. This plantation was planted in 2012. The young teak trees are approximately four years old. An inspection noted that, over the past three years, these teak plantations had not received regular silviculture management, including weeding of grass, vines and scrubs, as well as pruning and that this area of Fiji is prone to frequent bush fires. Taking into consideration the lack of silviculture management, regular bush fires and the young age of this teak plantation, the board of directors is of the opinion that it is not possible to estimate with reasonable accuracy the fair value of the biological assets of the Sigatoka teak plantation and has deemed it appropriate to write down the fair value of the biological asset of the Sigatoka teak plantation to \$Nil as at 30 June 2016. The board of directors note that the Sigatoka teak plantation has the potential to become commercially viable, with significant silviculture management and improved community relationship building. The board of directors will undertake to implement silviculture management during the 2017 financial year, on the condition that funds will be available. The FFF teak plantation in Sigatoka will be reassessed at 30 June 2017 to determine the commercial viability and the fair value of the biological assets.

In summary, the directors are of the opinion that the fair value of the company's 229 (2015: 229) hectares of teak plantation as at 30 June 2016 is \$Nil (2015: \$4,664,392). The write down in value is driven by the impact of TC Winston on the teak plantations in Ra Province and the impact of fire and lack of silviculture management at the young teak plantations in Sigatoka.

Reconciliation of carrying amount of plantations:

	2016 \$	2015 \$
Carrying amount at 1 July	4,664,392	4,516,277
Gain arising from changes in fair value less costs to sell of the plantations	-	148,115
Written-down during the year	(4,664,392)	-
Carrying amount at 30 June	\$ Nil =====	\$ 4,664,392 =====

13. INVENTORIES

	2016 \$	2015 \$
Logs	-	4,272
Sawn Timber	-	20,144
Teak seedling	97,964	-
	\$ 97,964 =====	\$ 24,416 =====

As at 30 June 2016 there were 197,819 seedlings (2015: \$Nil) measured at a cost of \$0.50 per seedling.

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

14. PROPERTY, PLANT & EQUIPMENT

	Land	Building	Motor Vehicles	Equipment	Total
	\$	\$	\$	\$	\$
At 30 June 2014					
Cost	372,509	86,515	235,761	703,099	1,397,884
Accumulated depreciation	-	(12,329)	(189,862)	(284,469)	(486,660)
Net book amount	\$ 372,509	\$ 74,186	\$ 45,899	\$ 418,630	\$ 911,224
Year ended 30 June 2015					
Opening net book amount	372,509	74,186	45,899	418,630	911,224
Additions	-	2,633	-	634	3,267
Disposals	-	-	-	(69)	(69)
Depreciation	-	(4,408)	(20,609)	(72,793)	(97,810)
Closing net book amount	\$ 372,509	\$ 72,411	\$ 25,290	\$ 346,402	\$ 816,612
At 30 June 2015					
Cost	372,509	89,148	235,761	703,733	1,401,151
Accumulated depreciation	-	(16,737)	(210,471)	(357,331)	(584,539)
Net book amount	\$ 372,509	\$ 72,411	\$ 25,290	\$ 346,402	\$ 816,612
Year ended 30 June 2016					
Opening net book amount	372,509	72,411	25,290	346,402	816,612
Additions	-	19,147	-	22,454	41,601
Revaluation	1,109,491	-	-	-	1,109,491
Disposals	-	(28,817)	-	(6,020)	(34,837)
Depreciation	-	(5,525)	(19,203)	(68,354)	(93,082)
Closing net book amount	\$ 1,482,000	\$ 57,216	\$ 6,087	\$ 294,482	\$ 1,839,785
At 30 June 2016					
Cost	1,482,000	68,992	235,761	667,305	2,454,058
Accumulated depreciation	-	(11,776)	(229,674)	(372,823)	(614,273)
Net book amount	\$1,482,000	\$ 57,216	\$ 6,087	\$ 294,482	\$ 1,839,785

Freehold land was revalued as at 30 June 2016 based on an independent market valuation by Northern Property Valuation & Consultant Limited. The resulting increase in the valuation has been taken to other comprehensive income and is disclosed in Note 21.

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

15. BORROWINGS

	2016 \$	2015 \$
Fiji Development Bank (FDB) loan	1,002,330 =====	\$ 1,016,784 =====
Current portion	63,273	62,397
Non-current portion	<u>939,057</u>	<u>954,387</u>
	\$ 1,002,330 =====	\$ 1,016,784 =====

The above loan is secured by first debenture over company's assets including its uncalled capital and mortgage over land owned. Interest rate of 5% per annum is applicable on the loan and it is repayable at the rate of \$9,400 per month up until 1 June 2018.

16. CONVERTIBLE NOTES

During the 2012 financial year, the company issued convertible notes to the public. These were listed on the South Pacific Stock Exchange on 9th November 2011.

The convertible notes are governed by a Trust Deed whereby they convert to equity after five years from date of issue (being 9th November 2011) or earlier at the option of the holder. Each note pays interest at the rate of 7.5% (7.5 cents) per annum (coupon). The coupons are payable twice yearly on 1 July and 1 January for a maximum of five years from the date of issue.

Given the above characteristics the notes are considered to be a compound financial instrument. The notes are valued in accordance with note 2.10 of the company's accounting policy. For purpose of valuing the liability component of the instrument, the company had used 10.15% as the discount rate.

Initial Recognition at 30 June 2012:	\$
Proceeds of the notes issue	<u>1,472,198</u>
Present value of convertible notes payable at end of five years	907,912
Add: present value of the interest payable annually for five years	<u>416,960</u>
Liability component on initial recognition	1,324,872
Less: capitalised listing expenses	<u>(74,382)</u>
Total liability component	\$ 1,250,490 =====
Equity component on initial recognition	147,326
Less: capitalised listing expense	<u>(8,271)</u>
Total equity component	\$ 139,055 =====

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

16. CONVERTIBLE NOTES - continued

Subsequent Recognition	2016	2015
	\$	\$
<i>Liability component</i>		
Opening balance	1,348,853	1,317,848
Additions	-	-
Amortisation of convertible notes	<u>34,402</u>	<u>31,005</u>
Total liability component	<u>1,383,255</u>	\$ <u>1,348,853</u>
Equity component	<u>139,055</u>	\$ <u>139,055</u>

17. DEFERRED INCOME

	2016	2015
	\$	\$
ECF Grant	-	1,824
Less amortisation	<u>-</u>	<u>(1,824)</u>
	\$ <u>Nil</u>	\$ <u>Nil</u>

18. PAYABLES

	2016	2015
	\$	\$
Trade payables and accruals	582,492	179,760
Owing to related parties		
- Salaries	123,765	118,115
- Loans from directors and management	46,000	55,000
- Loans from other related parties	336,351	261,490
Other liabilities	<u>39,395</u>	<u>44,696</u>
	\$ <u>1,128,003</u>	\$ <u>659,061</u>

Loans from directors and management and other related parties are unsecured, at 0% to 6% interest rate per annum, and repayable on demand.

Trade payables and other accruals includes customer deposits held totalling \$375,797 for supply of seedlings. Customer deposits are reduced when seedlings are delivered to customers. Under the existing terms of supply, in the event of cancellation of a current order by a customer, the costs incurred under the supply contract are invoiced to the customer. In the event of force majeure delivery dates may be extended.

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

19. EQUITY

	2016 \$	2015 \$
(a) Share Capital		
Authorised		
30,000,000 B class shares @ \$0.01 each	\$ 300,000	\$ 300,000
	=====	=====
Issued		
21,200,785 B class ordinary shares @ \$0.01 each	\$ 212,008	\$ 212,008
	=====	=====

(b) Share Premium Reserve

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

	2016 \$	2015 \$
Share premium	\$ 3,062,517	\$ 3,062,517
	=====	=====

20. EARNINGS PER SHARE

(a) Basic

	2016 \$	2015 \$
Loss for the year	(\$ 5,334,440)	(\$ 383,207)
Number of ordinary shares	21,200,785	21,200,785
Basic earnings per share	(\$ 0.25)	(\$ 0.02)
	=====	=====

(b) Diluted shares

	2016 \$	2015 \$
Loss for the year	(5,334,440)	(383,207)
Interest expense on convertible notes (net of tax)	<u>113,002</u>	<u>113,002</u>
Loss used to determine diluted earnings per share	(<u>5,221,438</u>)	(<u>270,205</u>)
Number of ordinary shares in issue	21,200,785	21,200,785
Adjustment for assumed conversion of convertible debt	<u>1,506,698</u>	<u>1,506,698</u>
Number of ordinary shares for diluted earnings per share	<u>22,707,483</u>	<u>22,707,483</u>
Diluted earnings per share	(\$ 0.23)	(\$ 0.01)
	=====	=====

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

21. ASSET REVALUATION RESERVE

	2016 \$	2015 \$
Balance 1 July	-	-
Surplus on revaluation of freehold land	1,109,491	-
Deferred capital gains tax on current year revaluation	<u>(110,949)</u>	<u>-</u>
Balance 30 June	<u>\$ 998,542</u>	<u>\$ NIL</u>

In accordance with Note 2.2, the fair value movement in the freehold land owned by the company is recorded in the asset revaluation reserve.

22. OPERATING LEASE COMMITMENTS

i) iTLTB Leases

The company leases land in various locations from the iTaukei Land Trust Board on which trees are planted. The lease terms are between 30 and 75 years with annual lease payments between \$300 to \$2,500 VEP. These costs are charged to the statement of comprehensive income in the period they are incurred.

Total commitments for future lease rentals, which have not been provided for in the financial statements are as follows:

	2016 \$	2015 \$
Due		
- not later than one year	5,711	18,311
- later than one year and not later than five years	22,846	47,029
- later than 5 years	<u>146,624</u>	<u>195,867</u>
	<u>\$ 175,181</u>	<u>\$ 261,207</u>

Other than the above, the Company is renting office premise from Kadavu Holdings Limited at \$478 (VEP) per month.

23. COMMITMENT AND CONTINGENT LIABILITIES

The company had no commitments other than those disclosed in note 22 and no contingent liabilities as at 30 June 2016 (2015: NIL).

FUTURE FORESTS (FIJI) LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS-Cont'd
YEAR ENDED 30 JUNE 2016

24. RELATED PARTY

(a) Directors

The following persons held the position of director of Future Forests (Fiji) Limited during the year:

Mr Digby Bossley (resigned 14 July 2016)
Mr James Dunn (resigned 1 July 2016)
Mr Masum Buksh (resigned 1 July 2016)
Mr Roderic Evers (appointed (16 June 2016)
Mr Willibrodes Liebrechts (appointed 16 June 2016)
Mr Greg Cornwall (co-opted 13 July 2016)

(b) Directors' fees and interest

During the year directors' fees expense amounted to \$18,000 (2015: \$18,000).

As at year end Mr Roderic Evers, either directly or indirectly, owned 4,392,000 shares in the company, which amounts to \$43,920 and represents 21% of the total issued shares.

(c) Balances with related parties

	2016 \$	2015 \$
Owing from related parties (Note 11)	\$ 75,613 =====	\$ 75,613 =====
Owing to related parties (Note 18)		
- Salaries	123,765	118,115
- Loans from directors and management	46,000	55,000
- Loans from other related parties	<u>336,351</u>	<u>261,490</u>
	\$ 506,116 =====	\$ 434,605 =====

Loans from directors and management and other related parties are unsecured, at 0% to 6% interest rate per annum and repayable on demand.

(d) Key management compensation

Key management includes the General Manager. The compensation paid or payable to key management personnel is shown below:

	2016 \$	2015 \$
Emoluments and fees	\$ 120,000 =====	\$ 120,000 =====

25. SUBSEQUENT EVENTS

The company approved a Private Placement to issue up to 10,000,000 new shares to raise new capital in June 2016. New equity was received in the 2017 financial year and mainly used to rebuild the nursery facility, to settle payables and recommence FDB loan repayments.

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

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

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



**FUTURE FORESTS (FIJI) LIMITED
DISCLAIMER ON UNAUDITED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2016**

The additional unaudited supplementary information presented on pages 40 - 41 is compiled by the Board of Future Forests (Fiji) 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.

7 October 2016
Suva, Fiji

PricewaterhouseCoopers
**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

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

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this financial statements)

- a) Interest of each Director in the share capital of the Company as at 30 June 2016: Roderic Evers owned 4,392,000 shares, which amounts to \$43,920 (paid up capital) and represents 21% of the total issued shares. (2015: NIL)
- b) **Distribution of Shareholding**

Holding	No. of holders	Total % holding
Up to 500 shares	29	0.03
501 to 5,000 shares	53	0.47
5,001 to 10,000 shares	11	0.41
10,001 to 20,000 shares	9	0.59
20,001 to 30,000 shares	2	0.27
30,001 to 40,000 shares	5	0.78
40,001 to 50,000 shares	3	0.63
50,001 to 100,000 shares	5	1.58
100,001 to 1,000,000 shares	24	22.55
Over 1,000,000 shares	3	72.69
Total	144	100.00

- c) **Net tangible assets per share**

	2016	2015
Net assets	(\$ 1,681,072)	\$ 2,654,826
Number of ordinary shares	21,200,785	21,200,785
Net tangible assets per share	(\$ 0.08) =====	\$ 0.13 =====

FUTURE FORESTS (FIJI) LIMITEDUNAUDITED SUPPLEMENTARY INFORMATION
YEAR ENDED 30 JUNE 2016**d) Disclosure under Section 6.31(xii)**

	Year End 30-Jun 2016	Year End 30-Jun 2015	Year End 30-Jun 2014	Year End 30-Jun 2013	Year End 30-Jun 2012
Net profit	(5,334,440)	(383,207)	(385,355)	(1,656,509)	951,270
Assets	1,943,465	5,679,524	5,735,740	5,539,642	6,935,607
Liabilities equity	(3,624,537) (1,681,072)	(3,024,698) 2,654,826	(2,697,707) 3,038,033	(2,116,254) 3,423,388	(1,855,710) 5,079,897

e) Share Register

Central Share Registry
South Pacific Stock Exchange
Level 2, Plaza One, Provident Plaza
33 Ellery Street
GPO Box 11689
Suva, Fiji
Ph: 330 4130

f) The following table shows the highest and lowest share price during the course of the year:

	Share Price (\$)
Highest	0.79
Lowest	0.79

As at 30 June 2016, the share price was \$0.79 per issued share.



ANNUAL REPORT 2016