



ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

ANNUAL REPORT 2010

Atlantic & Pacific Packaging Company Limited

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Atlantic & Pacific Packaging Company Limited

DIRECTORS

Mr. Hari Punja OF, OBE, JP - Chairman

Mr. Rohit Punja

Mr. Gary Callaghan

CHIEF EXECUTIVE

Mr. Ram Bajekal

GROUP CFO & COMPANY SECRETARY

Mr. Kumar Shankar B.Com, L.L.B , A.C.A , A.C.S , A.M.I.M.A

AUDITORS

PricewaterhouseCoopers ,
Chartered Accountants ,
Suva .

SOLICITORS

M/s AK Lawyers
M/s Diven Prasad Lawyers
M/s Munro Leys
M/s Sherani & Co.

BANKERS

Australia and New Zealand Banking Group Limited

REGISTERED OFFICE

Lot 2 , Leonidas street ,
Walu Bay , Suva .
Telephone : 330 1188 Fax : 330 0944
Email : kumars@fmf.com.fj

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twelfth Annual General Meeting of the members of Atlantic & Pacific Packaging Company Limited will be held at 3.15 p.m. on Friday , the **22nd October 2010** , in the Training room at Atlantic & Pacific Packaging Company Limited , Leonidas Street , Walu Bay , Suva to transact the following business :

Ordinary business

1. Confirmation of the minutes of the previous Annual General Meeting held on 20th November 2009
2. Matters arising from the minutes .
3. To receive and adopt the Audited Balance Sheets and Profit and Loss Statements and the reports of the Directors and Auditors for the year ended 30th June 2010 .
4. To elect , in accordance with Article 99 of the Articles of Association of the company , Mr. Gary Callaghan as a director of the company . He retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a fee to be negotiated by the Directors. The retiring Auditors M/s. PricewaterhouseCoopers, Chartered Accountants, being eligible , offer themselves for appointment.
6. Any other business brought up in conformity with the Articles of Association of the company .

7. Special Business :

To consider , and if thought fit , to pass the following resolution as a special resolution :

Resolution :

“ RESOLVED THAT the following amendment be and is hereby carried to Article 103 , Sub clause (f) of the Articles of Association of the company : Substitute the word ‘ Eighty ‘ instead of ‘Seventy Five ‘ .”

By order of the Board of Directors,



Kumar Shankar
Group CFO &
Company Secretary

Dated : 17th September 2010

Suva, Fiji .

Explanatory Statement for the Special Business :

Article 103 deals with the upper age limit for appointment , election or re-election of the Directors of the company. Presently the age limit under the Articles is fixed at seventy five years . The proposed amendment is an enabling provision so that Non-Executive Directors can continue to hold Directorship of the company beyond the age of 75 , thus allowing the company to continue to benefit from the rich experience of these directors, who add great value to the strategy and direction of the company . Section 187 , subsection 5 of the Fiji Companies Act ,1983 allows persons of over 75 years of age to be appointed as a Director of a company .

Atlantic & Pacific Packaging Company Limited

Chairman's Report

Dear Shareholders,

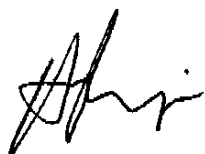
The financial year ending 30th June 2010 has shown once again a pleasing improvement over the previous year.

- Turnover increased from \$7,108,549 to \$7,924,564, an increase of 11.48% - a record for the company.
- Profit after tax increased from \$560,956 to \$992,444 , again a record
- Dividends totaling \$280,000 were paid to shareholders, the same as 2009.

The result was mostly due to increased sales to our group companies related to exports and control of expenses which saw our GOP margin increase from 11.5% to 17.22%.

The company has a strong balance sheet with virtually no debt and losses accumulated in earlier years almost completely wiped out. Looking forward we have some scope to increase the rate of dividend however the Board will also need to plan for some significant capital expenditure to refurbish our existing plant and purchase some new machinery.

Providing the export performance of the FMF group remains at current levels we would expect that the coming year will provide a similar satisfactory result for shareholders.



Hari Punja OF, OBE, JP
Chairman
17th September 2010

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

This is the first year of reporting on Corporate Governance and as such ATPACK has reviewed its existing policies and has codified new policies in line with its goal to improve the standard of corporate governance on a continuous basis .

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. One third of the total strength of the Board , retire by rotation each year and are eligible for re-election. Casual vacancies during the year are filled up by the Board till the conclusion of the next Annual General Meeting .

The Directors in Office on 30th June 2010 were Messrs Hari Punja (Chairman), Gary Callaghan and Rohit Punja .

Directors are paid a Board fee for their service rendered during the year . They are also entitled to an allowance of \$ 200 per meeting attended, towards travel and accommodation costs. 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 Chief Executive's report, financial report and performance of subsidiary companies.

The Board met 4 times during the financial year ended 30th June 2010 .

Director	Number of meetings entitled to attend	Number of meetings	Apologies Received
Mr. Hari Punja	4	4	NA
Mr. Gary Callaghan	4	3	1
Mr. Rohit Punja	4	4	NA

Sub-committees of the Board

The Board has formally constituted two sub-committees ; viz

- The Audit and Finance Committee and
- The Share Transfer Committee .

As at 30th June 2010 , the Audit and Finance Committee comprised Messrs Hari Punja , Gary Callaghan , Ram Bajekal and Kumar Shankar .

The Audit and Finance Committee is responsible for monitoring ATPACK's financial strategies, 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.

The Committee is also responsible for monitoring the 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 .

This sub-committee has been constituted recently and has not had any meeting during the financial year under review .

As at 30th June 2010 , the Share Transfer Committee comprised Messrs Hari Punja , Gary Callaghan , Ram Bajekal and Kumar Shankar

The Share Transfer Committee is responsible for approval of share transfers between the shareholders of the company . The Share transfer committee has met 2 times during the year under review.

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

Principle	Company's response
Establish clear responsibilities for Board Oversight	Covered above
Constitute an effective Board	Covered above
Appointment of a Chief Executive Officer (CEO)	The company has appointed a suitably qualified and competent Chief Executive Officer . He is a professionally qualified Chartered Accountant and has also studied Management as a Fulbright Fellow for Management Studies at Carnegie Mellon University, Pittsburgh, U.S.A.
Board and Company Secretary	The company has appointed a suitably qualified and competent Company Secretary . He is a professionally qualified Chartered Accountant and an Associate Member of the Institute of Company Secretaries of India .
Timely and Balanced disclosure	Board meetings are held at least once in every quarter of the year . The Board is apprised of the company's performance and major decisions are deliberated and passed at Board level. Progress on carrying out strategies is reviewed at these meetings. The CEO 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.
Promote ethical and responsible decision - making	ATPACK 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 company maintains a Register of Interest wherein the interests of Directors are noted .
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	ATPACK 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 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 .

DIRECTORS' REPORT

In accordance with a resolution of the board of directors, the directors herewith submit the balance sheet at 30 June 2010 and the related statements of comprehensive income, cash flow, and changes in equity for the year then ended, and report as follows:

1 Directors

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

- Hari Punja OF, OBE, JP - Chairman
- Sanjay Punja
- Gary Callaghan
- Rohit Punja

2 Principal Activity

The principal business activity of the company is the manufacture of a wide range of packaging materials including corrugated cartons and assorted containers and packets.

3 Trading Results

The net profit after income tax for the financial year was \$992,444 (2009: \$560,956) after deducting income tax expense of \$371,520 (2009: \$208,566).

4 Provisions

There were no material movements in provisions, other than provisions for doubtful debts.

5 Dividends

The directors declared an interim dividend of \$280,000 during the year.

6 Bad and Doubtful Debts

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

7 Current Assets

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

8 Reserves

The directors recommended that no amounts be transferred to reserves in respect of the year ended 30 June 2010.

DIRECTORS' REPORT - Cont'd

9 Events Subsequent to Balance Date

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.

10 Basis of Accounting

The directors believe the basis of the preparation of the financial statements is appropriate and the company will be able to continue in operation for at least twelve months from the date of this report. Accordingly the directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

11 Related Party Transaction

In the opinion of the directors all related party transactions have been adequately recorded in the books of the company.

12 Other Circumstances

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

13 Unusual Transactions

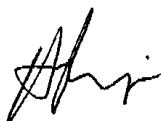
The results of the company's operations during the financial year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

14 Directors Benefits

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

Signed in accordance with a resolution of the directors this 17th day of September 2010.

For and on behalf of the Board,



.....
Hari Punja – Chairman



.....
Gary Callaghan - Director

STATEMENT BY DIRECTORS

In the opinion of the directors:

- (a) the accompanying statement of 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 2010,
- (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 2010,
- (c) the accompanying statement of changes in equity for the year ended 30 June 2010 is drawn up so as to give a true and fair view of the movement in shareholder's funds; and
- (d) the accompanying statement of cash flows 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 2010.

Signed in accordance with a resolution of the directors this 17th day of September 2010.

For and on behalf of the Board,



.....
Hari Punja – Chairman



.....
Gary Callaghan - Director

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Atlantic & Pacific Packaging Company Limited

PricewaterhouseCoopers
 Level 8, Civic Tower
 262 Victoria Parade
 GPO Box 200
 Suva, Fiji Islands
 Telephone +679 331 3955
 +679 331 5199
 Facsimile +679 330 0947
 +679 330 0981

Scope

We have audited the accompanying financial statements of Atlantic & Pacific Packaging Company Limited. The financial statements comprise the balance sheet of the Company as of 30 June 2010 and the statements 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 as set out on pages 6 to 24.

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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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. 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 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 and fair presentation of the financial statements 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.



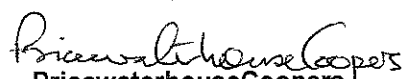
Opinion

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 which have been prepared in accordance with International Financial Reporting Standards:
 - (i) are in agreement with the books of account;
 - (ii) to the best of our information and according to the explanations given to us:
 - a) give a true and fair view of the state of affairs of the Company as at 30 June 2010 and of its financial performance, changes in equity, and its cash flows for the year ended on that date;
 - b) 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.

17 September 2010
Suva, Fiji


PricewaterhouseCoopers
Chartered Accountants

**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**
**STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
Revenue		7,924,564	7,108,549
Other operating income		10,549	10,208
Change in amount of finished goods and work in progress		99,913	58,820
Raw materials and consumables used		(4,352,720)	(3,924,293)
Staff costs		(558,345)	(563,053)
Depreciation		(287,849)	(371,975)
Other operating expenses		(1,470,308)	(1,501,454)
Profit from operations	4	1,365,804	816,802
Finance costs		(1,840)	(47,280)
Profit before tax		1,363,964	769,522
Income tax expense	6(a)	(371,520)	(208,566)
Profit for the year from continuing operations		992,444	560,956
Other comprehensive income		-	-
Total comprehensive income		<u>\$ 992,444</u>	<u>\$ 560,956</u>
Earnings per share	18	<u>\$ 0.12</u>	<u>\$ 0.07</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

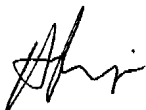
**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**
**BALANCE SHEET
30 JUNE 2010**

	Notes	2010 \$	2009 \$
CURRENT ASSETS			
Cash on hand and at bank	10(a)	336,433	500
Inventories	5	1,452,057	895,653
Trade receivables	8	797,060	793,515
Other receivables	9	1,080,919	136,098
Amounts owing by related companies	15(d)	-	-
		<u>3,666,469</u>	<u>1,825,766</u>
NON-CURRENT ASSETS			
Deferred tax asset	6(b)	15,675	12,699
Plant and equipment	11	<u>1,872,650</u>	<u>2,077,651</u>
		<u>1,888,325</u>	<u>2,090,350</u>
TOTAL ASSETS		<u>5,554,794</u>	<u>3,916,116</u>
Less:			
CURRENT LIABILITIES			
Bank overdraft	10(a)	-	46,763
Trade payables		427,391	113,968
Current tax liability	6(a)	213,249	67,809
Other payables	12	475,014	225,737
Amounts owing to related companies	15(e)	<u>286,032</u>	<u>96,166</u>
		<u>1,401,686</u>	<u>550,443</u>
NON-CURRENT LIABILITIES			
Deferred tax liability	6(c)	<u>294,958</u>	<u>219,967</u>
TOTAL LIABILITIES		<u>1,696,644</u>	<u>770,410</u>
NET ASSETS		<u>\$ 3,858,150</u>	<u>\$ 3,145,706</u>
SHAREHOLDERS' EQUITY			
Share capital	7(b)	4,000,000	4,000,000
Accumulated (losses)		(141,850)	(854,294)
		<u>\$ 3,858,150</u>	<u>\$ 3,145,706</u>

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

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

For and on behalf of the Board



Hari Punja – Chairman



Gary Callaghan - Director

**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**
**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2010**

	Note	Share Capital \$	Accumulated (Losses) \$	Total \$
Balance at 30 June 2008		<u>4,000,000</u>	<u>(1,135,250)</u>	<u>2,864,750</u>
Comprehensive income				
Profit for the year		-	560,956	560,956
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income		<u>-</u>	<u>560,956</u>	<u>560,965</u>
Transactions with owners				
Dividend	19	<u>-</u>	<u>(280,000)</u>	<u>(280,000)</u>
Balance at 30 June 2009		<u>4,000,000</u>	<u>(854,294)</u>	<u>3,145,706</u>
Comprehensive income				
Profit for the year		-	992,444	992,444
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income		<u>-</u>	<u>992,444</u>	<u>992,444</u>
Transactions with owners				
Dividend	19	<u>-</u>	<u>(280,000)</u>	<u>(280,000)</u>
Balance at 30 June 2010		<u>\$ 4,000,000</u>	<u>(\$ 141,850)</u>	<u>\$ 3,858,150</u>

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

**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**

**STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from customers		6,986,749	6,981,085
Payments to suppliers		(6,085,300)	(5,590,086)
Cash generated from operations		901,449	1,390,999
Income taxes paid		(154,066)	(40,000)
Interest paid		(1,840)	(44,699)
Net cash generated from operating activities		<u>745,543</u>	<u>1,306,300</u>
Cash flows from investing activities			
Proceeds from sale of fixed assets		-	-
Payments for plant & equipment		(82,848)	(171,229)
Net cash used in investing activities		<u>(82,848)</u>	<u>(171,229)</u>
Cash flows from financing activities			
Dividends paid		(279,999)	(280,000)
Net cash used in financing activities		<u>(279,999)</u>	<u>(280,000)</u>
Net increase in cash		382,696	855,071
Cash and cash equivalents at the beginning of the year		(46,263)	(901,334)
Cash and cash equivalents at the end of the year	10	<u>\$ 336,433</u> =====	<u>(\$ 46,263)</u> =====

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by Atlantic & Pacific Packaging Company Limited are stated to assist in a general understanding of these financial statements. These policies have been consistently applied by the company except where otherwise indicated.

These financial statements were authorised for issue by the Board of Directors on 17 September 2010.

(a) Basis 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 ("IFRS"). The financial statements have been prepared under the basis of historical costs, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss.

Standards, amendments and interpretations issued but not yet effective

The following standards, amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after 1 July 2010 or later periods, but the company has not early adopted them. Adoption of these standards and interpretations will not have any significant impact on the company's financial statements.

- IAS 24 Amendment – Related party disclosures (effective 1 January 2011)
- IFRS 1 Amendment – 'First time adoption': financial instrument disclosures (effective 1 July 2010)
- IFRS 9 Amendment – Financial Instruments: Classification and measurement (effective 1 January 2013)
- IFRIC 14 Amendment – Prepayments of a minimum funding requirement (effective 1 January 2011)
- IFRIC 19 Amendment – Extinguishing financial liabilities with equity instrument (effective 1 July 2010)

(b) Plant and equipment

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

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

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

Plant & machinery	4% - 10%
Equipment	6.67%
Motor vehicles	20%
Computers	33.33%
Furniture and fitting	10%

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within income statement.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Cont'd

(c) **Inventories**

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

Manufacturing and packaging materials are valued at the lower of cost and net realisable value, less provision for obsolescence.

(d) **Provisions**

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(e) **Foreign currency translation**

(i) Functional and presentation currency

The company operates in Fiji and hence its financial statements are presented in Fiji dollars, which is the company's functional and presentation currency.

(ii) Transactions and balances

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

(f) **Current and deferred income tax**

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance 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 to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Cont'd

(g) **Revenue Recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of corrugated cartons and assorted containers and packets in the ordinary course of the company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(h) **Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within other operating expenses.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to other operating income in the income statement.

(i) **Trade and Other Payables**

Trade payables and other accounts payable are recognised at fair value.

(j) **Segment information**

A business segment is a company 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.

For reporting purposes, the company considers itself to be operating in one business segment as its predominant revenue source is from manufacture of a wide range of packaging materials. Revenue from other sources is not material for the purposes of segment reporting. In addition the company operates in Fiji only and hence one geographical segment.

(k) **Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand and at bank, and bank overdraft.

(l) **Dividend distribution**

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are proposed or declared by the company's directors.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Cont'd**(m) Earnings per share***(i) Basic earnings per share*

Basic earnings per share (EPS) is determined by dividing profit after income tax attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

(ii) Diluted earnings per share

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

(n) Employee Entitlements

Liability for annual leave is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employee services up to that date.

A liability for long service leave is recognised as the present value of estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The estimated future cash outflows are discounted using interest rates on government bonds which have terms to maturity that match, as closely as possible, the estimated future cash outflows. Factors which affect the estimated cash outflows, such as expected future salary increases, experience of employee departures and period of service, are incorporated in the measurement.

(o) Leases

Leases of property, plant and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rent obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Lease in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(p) Comparative Figures

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Cont'd**(q) Use of estimates and judgments**

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

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

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

Note 1(b) – Property, plant and equipment

Note 1(d) – Provisions

2 FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and 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 a risk management committee under policies approved by the board of directors. The committee identifies and evaluates financial risks in close co-operation with the company's operating units. The board provides written policies for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

(a) Market risk***(i) Foreign exchange risk***

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

Management has set up a policy to require the company to manage their foreign exchange risk against their functional currency, in this case the Fiji dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the Fiji Dollar. For significant settlements, the company is required to seek quotations from recognised banks and use the most favourable exchange rate for purposes of the settlement.

At 30 June 2010, if the Fijian dollar had weakened/strengthened by 10% against the NZD with all other variables held constant, post-tax profit for the year would have been \$951 lower/higher, mainly as a result of foreign exchange gains/losses on translation of NZD denominated trade payables.

(ii) Price risk

The company does not have investments in equity securities and hence is not exposed to equity securities price risk. The company is not exposed to commodity price risk.

(iii) Cash flow 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.

(b) Credit risk

Credit risk is managed by management with board oversight. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables. As part of its risk control procedures, an assessment of the credit quality of a new customer, taking into account its financial position, past experience and other factors is carried out prior to the board approval. Individual credit risk limits are then set based on the assessments done. Individual risk limits are set based on assessments done. The utilisation of credit limits is regularly monitored. Sales to credit retail customers are settled in either cash or bank cheques.

**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS – Cont'd
YEAR ENDED 30 JUNE 2010**

2 FINANCIAL RISK MANAGEMENT – Cont'd

(c) **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash to meet its present obligations.

Management monitors rolling forecasts of the company's liquidity reserve comprising of cash and cash equivalents on the basis of expected cash flow.

The company's financial liabilities, analysed below, illustrates that all balances are due within 12 months and are equal to their carrying balances as the impact of discounting is not significant.

Trade and other payables	2010 \$	2009 \$
1 to 2 months	902,405	339,705

3 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.

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

4 PROFIT FROM OPERATIONS

Operating profit is stated after charging/(crediting):

	2010 \$	2009 \$
Depreciation	287,849	371,975
Interest	(6,687)	37,404
Auditors' remuneration		
- Audit	12,250	12,250
Doubtful debts	9,214	(71,974)
Exchange gain	(5,037)	(896)
Employee entitlements	2,975	13,218

5 INVENTORIES

The valuation policy adopted in respect of inventories is set out in note 1(c).

	2010 \$	2009 \$
Raw materials	1,117,196	523,850
Finished products	229,428	201,744
Work-in-progress	11,875	20,696
Spare parts	93,558	96,728
Goods in transit	-	52,635
	<u>\$ 1,452,057</u>	<u>\$ 895,653</u>

**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS – Cont'd
YEAR ENDED 30 JUNE 2010**

6 INCOME TAX

(a) **Income tax expense**

The prima facie income tax expense on pre-tax accounting profit is reconciled to the income tax expense in the income statement as follows:

	2010 \$	2009 \$
Profit before tax	\$ 1,363,964	\$ 769,522
	=====	=====
Prima facie tax payable at 29% (2009: 31%)	395,550	238,552
Tax effect of export incentive	(14,899)	(7,884)
Change in tax rates	(9,974)	(14,294)
Prior year adjustments	843	(7,808)
Income tax expense	371,520	208,566
Temporary differences	(72,014)	(79,908)
	299,506	128,658
<u>Add:</u> Opening current tax liability	67,809	(20,849)
	367,315	107,809
<u>Less:</u> Tax paid and transferred from VAT	(154,066)	(40,000)
Current tax liability	\$ 213,249	\$ 67,809
	=====	=====

The income tax for companies was reduced from 29% to 28% effective 1 January 2010 but will be applicable to the company in the next financial year. Deferred tax balances however have been adjusted accordingly.

(b) **Deferred tax asset**

Represented by the following tax-effected temporary differences:

	2010 \$	2009 \$
Provisions	\$ 15,675	\$ 12,699
	=====	=====

(c) **Deferred tax liability**

Represented by the following tax-effected temporary difference:

	2010 \$	2009 \$
Property, plant and equipment	\$ 294,958	\$ 219,967
	=====	=====

**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**
**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS – Cont'd
YEAR ENDED 30 JUNE 2010**
7 SHARE CAPITAL

	2010 \$	2009 \$
(a) Authorised: 10,000,000 ordinary shares of \$0.50 each	\$ 5,000,000 =====	\$ 5,000,000 =====
(b) Issued and fully paid: 8,000,000 ordinary shares of \$0.50 each	\$ 4,000,000 =====	\$ 4,000,000 =====

8 TRADE RECEIVABLES

	2010 \$	2009 \$
Trade debtors	826,686	813,927
Provision for doubtful debts	(29,626)	(20,412)
	\$ 797,060 =====	\$ 793,515 =====

Trade receivables that are less than one month past due are not considered impaired. As of 30 June 2010, trade receivables of \$441,857 (2009: 451,969) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2010 \$	2009 \$
Over 1 month	275,571	243,838
Over 2 months	<u>166,286</u>	<u>208,131</u>
	\$ 441,857 =====	\$ 451,969 =====

As of 30 June 2010, trade receivables of \$29,626 (2009: \$ 20,412) were impaired and provided for. The total amount of the provision was \$29,626 as of 30 June 2010 (2009: \$ 20,412). The individually impaired receivables mainly relate to balances that were in dispute and include management's assessment of the likely loss from the impact of the adverse economic conditions on trade receivables. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	2010 \$	2009 \$
Over 1 month	-	-
Over 2 months	<u>29,626</u>	<u>20,412</u>
	\$ 29,626 =====	\$ 20,412 =====

**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**
**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS – Cont'd
YEAR ENDED 30 JUNE 2010**
8 TRADE RECEIVABLES – Cont'd

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

	2010 \$	2009 \$
At 1 July	20,412	97,200
Provision for receivables impaired	9,214	(49,784)
Receivables written off during the year as uncollectible	<u>-</u>	<u>(27,004)</u>
At 30 June	<u>\$ 29,626</u>	<u>\$ 20,412</u>

The provision for impaired receivables has been included in administration costs in the income statement (page 6). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

	2010 \$	2009 \$
9 OTHER RECEIVABLES		
Other debtors	<u>\$ 1,080,919</u>	<u>\$ 136,098</u>

	2010 \$	2009 \$
10 BANK OVERDRAFT		
Bank Overdraft	<u>\$ -</u>	<u>\$ 46,763</u>

The bank overdraft is secured by a first registered mortgage debenture over all the assets of the company, a negative pledge not to lend or grant security to any other party and cross guarantees by related companies.

- (a) For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and bank overdraft. Cash at the end of the period as shown in the statement of cash flows is reconciled to the balance sheet as follows:

	2010 \$	2009 \$
Bank overdraft	-	(46,763)
Cash at bank	335,933	-
Petty cash	<u>500</u>	<u>500</u>
	<u>\$ 336,433</u>	<u>(\$ 46,263)</u>

(b) FINANCING FACILITIES

The company's overdraft is drawn from the facilities available to companies within the Flour Mills of Fiji Limited group.

**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS – Cont'd
YEAR ENDED 30 JUNE 2010**

11(a) PLANT AND EQUIPMENT

(i) Plant and equipment have been included in the financial statements on the following bases:

	2010 \$	2009 \$
Furniture and fittings - at cost	173,739	173,739
<u>Less: Accumulated depreciation</u>	<u>172,471</u>	<u>170,937</u>
	<u>1,268</u>	<u>2,802</u>
Office equipment - at cost	96,784	92,147
<u>Less: Accumulated depreciation</u>	<u>74,680</u>	<u>71,994</u>
	<u>22,104</u>	<u>20,153</u>
Motor vehicles - at cost	102,242	102,242
<u>Less: Accumulated depreciation</u>	<u>102,242</u>	<u>102,242</u>
	<u>-</u>	<u>-</u>
Plant and machinery - at cost	5,395,836	5,317,625
<u>Less: Accumulated depreciation</u>	<u>3,546,558</u>	<u>3,262,929</u>
	<u>1,849,278</u>	<u>2,054,696</u>
Total - at cost	5,768,601	5,685,753
<u>Less: Accumulated depreciation</u>	<u>3,895,951</u>	<u>3,608,102</u>
	<u>\$ 1,872,650</u>	<u>\$ 2,077,651</u>
	=====	=====

(ii) **Reconciliation of Plant and Equipment**

	Furniture & Fittings \$	Office Equipment \$	Motor Vehicles \$	Plant & Machinery \$	Total \$
Carrying amount at 1 July 2009	2,802	20,153	-	2,054,696	2,077,651
Additions	-	4,638	-	78,210	82,848
Depreciation	(1,534)	(2,687)	-	(283,628)	(287,849)
Carrying amount at 30 June 2010	\$ 1,268	\$ 22,104	\$ -	\$ 1,849,278	\$ 1,872,650
	=====	=====	=====	=====	=====

(b) The depreciation policies adopted are set out in Note 1(b).

**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**
**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS – Cont'd
YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
12 OTHER PAYABLES		
Accruals	195,014	225,737
Dividend payable	<u>280,000</u>	<u>-</u>
	<u>475,014</u>	<u>225,737</u>
	=====	=====

13 CONTINGENCIES & COMMITMENTS

(a) As at 30 June 2010, there were no capital expenditure commitments (2009: \$ Nil)

	2010 \$	2009 \$
(b) Indemnity guarantees	34,801	34,801
	=====	=====

14 EMPLOYEE ENTITLEMENTS

Provision for annual leave	\$ 26,353	\$ 23,378
	=====	=====

Employee numbers

Average number of employees during the financial year	52	47
	=====	=====

15 RELATED PARTIES
(a) Directors

The names of persons who were directors of the company at any time during the financial year are as follows:

- Hari Punja - Chairman
- Sanjay Punja
- Gary Callaghan
- Rohit Punja

No directors fees were paid during the year (2009: \$ Nil).

(b) Immediate and ultimate holding company

The immediate holding company is Flour Mills of Fiji Limited, a company incorporated in Fiji.

The ultimate holding company is Hari Punja Nominees Limited, a company incorporated in Fiji.

**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS – Cont'd
YEAR ENDED 30 JUNE 2010**

15 RELATED PARTIES – Cont'd

(b) Immediate and ultimate holding company – Cont'd

The company has entered into a management agreement with the penultimate holding company, Hari Punja & Sons Limited. Under the agreement, a management fee of 2.5% of turnover per annum is payable. The agreement is effective for an initial period of 5 years and thereafter shall continue without the need for express renewal unless terminated in accordance with the terms of the agreement.

(c) Related party transactions

During the year the company traded with director related entities, Dominion Insurance Limited and Petroleum & Gas Co (Fiji) Limited and fellow subsidiaries. Insurance was placed with independent brokers Marsh Limited. All transactions with related parties are made on normal commercial terms and conditions.

The amount included in the determination of operating profits that resulted from transactions with the holding company, director related entities and fellow subsidiaries are as follows:

	2010 \$	2009 \$
INCOME		
Sales	4,146,890	3,449,672
Interest	17,621	-
EXPENSES		
Insurance	119,247	92,317
Rent	349,200	349,200
Administration fees	130,868	24,000

During the year, advances were made among the holding company and subsidiary companies at an interest rate of 2.75% (from July 2009-December 2009) and 2.5% (from January 2010-June 2010). These amounts had been settled in full as at year ended 30 June 2010.

Transactions with director related entities and fellow subsidiaries were on normal trading terms and conditions no more favourable than those which would have been adopted if dealing with the director related entities and fellow subsidiaries at arms length in the same circumstances.

(d) Amounts owing by related companies

	2010 \$	2009 \$
<u>Holding Company</u>		
Flour Mills of Fiji Limited	-	-
	\$ -	\$ -
	=====	=====

(e) Amounts owing to related companies

	2010 \$	2009 \$
<u>Related company</u>		
Flour Mills of Fiji Limited	168,000	92,317
Petroleum & Gas Co (Fiji) Limited	4,915	3,849
Hari Punja & Sons Limited	113,117	-
	\$ 286,032	\$ 96,166
	=====	=====

**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS – Cont'd
YEAR ENDED 30 JUNE 2010**

15 RELATED PARTIES – Cont'd

(f) **Key management compensation**

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

During the year the executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the company included the General Manager, Factory Manager, Projects Manager and also the Group Chief Executive Officer and Chief Financial Officer who are compensated in the holding company.

The compensation paid or payable to key management for employee services is shown below:

	2010 \$	2009 \$
Salaries and other short term benefits	\$ 83,397 =====	\$ 60,004 =====

16 OPERATING LEASE

(a) The company leases its factory premises from a fellow subsidiary FMF Investment Company Limited. The lease provides for annual reviews.

(b) Total commitments for future rentals, which have not been provided for in the financial statements are as follows

	2010 \$	2009 \$
Payable not later than 1 year	\$ 32,250 =====	\$ 32,250 =====

17 SEGMENT REPORTING

(a) **Industry Segment**

The company operates as a manufacturer of a wide range of packaging materials including corrugated cartons and assorted containers and packets.

(b) **Geographical Segment**

The company operates predominantly in the geographical segment of Fiji.

**ATLANTIC & PACIFIC PACKAGING
COMPANY LIMITED**

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS – Cont'd
YEAR ENDED 30 JUNE 2010**

18 EARNINGS PER SHARE

	2010 \$	2009 \$
Operating profit after income tax	\$ 992,444	\$ 560,956
Number of ordinary shares	8,000,000	8,000,000
Earnings per share	\$ 0.12 =====	\$ 0.07 =====

19 DIVIDENDS

	2010	2009
Interim dividend	\$ 280,000 =====	\$ 280,000 =====

Dividends are subject to the provisions of the Fiji Income Tax Act and Income Tax (Dividend) Regulations 2001.

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED**SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS****LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE (NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)****(a) Schedule of each class of equity security in compliance with listing requirements 3.3(c):**

Distribution of ordinary shareholders:

No. of Holders	Holding	Total % Holding
9	Up to 500 shares	0.04
81	501 to 5,000 shares	2.82
20	5,001 to 10,000 shares	2.21
12	10,001 to 20,000 shares	2.79
2	20,001 to 30,000 shares	0.64
1	30,001 to 40,000 shares	0.39
1	40,001 to 50,000 shares	0.57
1	50,001 to 100,000 shares	1.25
5	100,001 to 1,000,000 shares	29.29
<u>1</u>	Over 1,000,000 shares	<u>60.00</u>
<u>133</u>		<u>100.00</u>
=====		=====

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED**SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS****LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE (NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)**

- (b) Interest of directors, and any additions thereto during the year, in the ordinary shares of the company are as follows :

	<u>Beneficially</u>		<u>Non-Beneficially</u>	
	<u>Additions</u>	<u>Holding</u>	<u>Additions</u>	<u>Holding</u>
Hari Punja	-	-	19,018	4,978,518
Sanjay Punja	-	-	-	4,978,518
Gary Callaghan	-	-	-	4,800,000
Rohit Punja	-	-	-	-

- (c) Share Register and Registered Office:

Flour Mills of Fiji Limited
Leonidas Street
Walu Bay
Suva
Republic of the Fiji Islands

The company is incorporated and domiciled in the Republic of the Fiji Islands with limited liability.

The company's shares are listed on the South Pacific Stock Exchange.

Atlantic & Pacific Packaging Company Limited

Minutes of the Eleventh Annual General Meeting of the members of the company, held at 3.15 pm on Thursday, the 20th November 2009 in the Training Room at Atlantic & Pacific Packaging Company Limited, Leonidas Street, Walu Bay, Suva.

.....

PRESENT

1. Mr.Hari Punja .. Chairman
2. Mr.Gary Callaghan .. Director
3. Mr.Ram Bajekal .. CEO
4. Mr.Kumar Shankar .. Group CFO & Company Secretary
5. Mr.Wiliki Takiveikata .. Representing the Auditors, M/s PricewaterhouseCoopers

Nine other shareholders / proxy holders were present in person.

APOLOGIES

Mr. Rohit Punja

SHARE REGISTER & STATUTORY REGISTERS

The Share Register containing all the relevant details of the Shareholders of the company and the Statutory Register were placed on the Table and remained open for inspection during the meeting.

QUORUM

The required quorum being present, the Chairman declared the meeting to be open.

CONFIRMATION OF THE MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING HELD ON 31st October 2008 .

Proposed by : Mr. Pravin Chandra
Seconded by : Mr. Mahendra Pal Singh

The motion as proposed and seconded by the above named persons was put to vote.
By a show of hands, the meeting approved the motion unanimously and confirmed the minutes of the previous Annual General Meeting held on 31st **October 2008** .

MATTERS ARISING OUT OF EARLIER MINUTES:

Nil

ORDINARY BUSINESS:

TO RECEIVE AND ADOPT THE AUDITED BALANCE SHEETS AND PROFIT AND LOSS STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS FOR THE YEAR ENDED 30TH JUNE 2009.

Proposed by : Mr. Mahendra Pal Singh
Seconded by : Mr. Pravin Chandra

The motion as proposed and seconded by the above named persons was put to vote .

By a show of hands , the meeting approved the motion unanimously and adopted the Audited Balance Sheets and Profit and Loss Statements and the reports of the Directors and Auditors for the year ended 30th June 2009.

Minutes (Contd..)

TO ELECT MR. ROHIT PUNJA AS A DIRECTOR OF THE COMPANY IN PLACE OF MR. SANJAY PUNJA .

Proposed by : Mr. Pravin Chandra
Seconded by : Mr. Mahendra Pal Singh

The motion as proposed and seconded by the above named persons was put to vote .
By a show of hands, the meeting approved the motion unanimously and elected Mr. Rohit Punja as a Director of the company.

TO APPOINT AUDITORS FROM THE CONCLUSION OF THIS MEETING UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING.

Proposed by : Mr. Pravin Chandra
Seconded by : Mr. Mahendra Pal Singh

The motion as proposed and seconded by the above named persons was put to vote .
By a show of hands , the meeting approved the motion unanimously and confirmed the Appointment of the Retiring Auditors , M/s PricewaterhouseCoopers as Auditors of the company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a fee to be negotiated by the Directors .

GENERAL DISCUSSION

The Chairman stated that the company could post slightly a higher turnover than the previous year , mainly due to increased sales to group companies . He also stated that the outlook for the current year would be more or less the same and that the company would be able to maintain the past dividends paid to the shareholders of the company .

Vote of Thanks to the Chair:

Proposed by: Mr. Mahendra Pal Singh

Thereafter the Chairman declared the meeting as closed.

Chairman

ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED

PROXY FORM

Share Folio No

No. of shares held

The Company Secretary
Atlantic & Pacific Packaging Company Limited
P O Box 977 ,
Suva , Fiji Islands .

I/WE.....

Of

Being a member / members of **ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED** hereby

appoint

of.....

or failing him

of.....

as my/our proxy to vote on my/our behalf at the Annual General Meeting of the company, to be held at 3.15 p.m. on Friday , the **22nd October 2010** and at any adjournment thereof.

As witness to my/our hands this.....day of2010 , at

Signed by the said member (s)

In the presence of (Witnessed by).....

In the case of a body corporate, this form should be under its Seal or be signed by an officer or an attorney duly authorized by it.

Proxies must be received at the Registered Office of the Company no less than **48 hours** prior to the time appointed for holding of the meeting.

As per Article 80 of the company, a member may appoint not more than two proxies. If one proxy is appointed, that proxy shall be entitled to vote on a show of hands. If two proxies are appointed, neither shall be entitled to vote on a show of hands and the appointment shall be of no effect unless each proxy is appointed to represent a specified proportion of the members voting rights.

For office use only :

Proxy received on _____ at _____ am / pm by _____