FLOUR MILLS OF FIJI LIMITED

ANNUAL REPORT

2011

FLOUR MILLS OF FIJI LIMITED

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FLOUR MILLS OF FIJI LIMITED

DIRECTORS

Mr. Hari Punja OF, OBE, JP - Chairman

Mr. Gary Callaghan

Mr. Ajai Punja

Mr. Pramesh Sharma

GROUP CHIEF EXECUTIVE OFFICER

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 . Republic of Fiji .
Telephone : 330 1188 Fax : 330 0944
Email : kumars@fmf.com.fj

FLOUR MILLS OF FIJI LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Ninth Annual General Meeting of the members of Flour Mills Of Fiji Limited will be held at 3.00 p.m. on Friday , the **28th October 2011 ,** 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 19th November 2010.

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 2011 .

4. To elect , in accordance with Article 86 of the Articles of Association of the company , Mr. Hari Punja 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. To consider and if thought fit , to pass the following resolution as an ordinary resolution :
   " RESOLVED that the sitting fees paid to the Directors of the company be increased from FJD 4,000 to FJD 6,000 per annum .
   FURTHER RESOLVED THAT the Attendance fees paid to the Directors of the company for attending the Board meetings of the company be increased from FJD 400 to FJD 500 per attendance .

Special Business :

7. To consider and if thought fit , to pass the following resolution as a **Special resolution** :

   " **RESOLVED** that the name of the Company be changed from " Flour Mills of Fiji Limited " to **" FMF FOODS LIMITED "** , subject to the approval of the Registrar of Companies , Fiji. in accordance with section 22 of the Fiji Companies Act , 1985 .
   FURTHER RESOLVED that the Company Secretary be authorized to take necessary steps in this regard to put this resolution into effect . "

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

By order of the Board of Directors,

Kumar Shankar
Group CFO &
Company Secretary

Dated : 28th September 2011
Suva, Fiji .

Explanatory Statement for item no . 7
Flour Mills of Fiji Limited was originally started to manufacture a limited range of flour products . Over the years , with the addition of various wholly owned subsidiaries , the **" FMF "** group now manufactures a wide range of consumable products in flour , rice , peas , biscuits , chips and Noodles and it also trades in a number of food products like Pan oil , yeast , Bread Improvers etc .
In order that the name of the company should truly reflect the activities of the company / group , it is suggested that the name of the holding company be changed to **" FMF FOODS LIMITED "**

CHAIRMAN'S REPORT

Dear Shareholders,

Dear Shareholders,

2010-11 proved to be a challenging year for the Company, but I am happy to say that the Company performed well despite the odds. While raw material prices for products all across the group rose sharply, the market for FMCG products remained sluggish, mirroring the global trend. During the year therefore, the Company continued its focus on stabilising operations and rationalising its products and activities. The year saw the launch of FMF Premium Coconut Oil which has already started to make its presence felt on supermarket shelves.

For the first time in its history the Group's sales revenue crossed the two hundred million dollar mark (including inter-company sales of $23,408,974; previous year $20,620,026). Net Group revenue, after elimination of inter-company sales, increased 11.66% to $181,492,682 from $162,546,342 during 2009-10. Group profit after tax was $11,636,486, against $11,600,980 in the previous year. Profit after tax, though marginally higher than previous year, did not keep pace with sales growth mainly due to the steep rise in raw material and staff costs which the Company was forced to absorb owing to the market's inability to bear large price increases.

Effective this year, the Company enjoys a lower tax rate of 20% compared to 28% for unlisted companies. This tax concession is part of the Government's effort to encourage investment and listing of companies on the South Pacific Stock Exchange.

In November 2010, the Fiji Commerce Commission took over the role of the Prices and Incomes Board and brought under its purview all essential food products. New pricing methods, procedures and compliance norms were imposed which created some turbulence and uncertainty in the marketplace during the initial period of imposition. Bulk of the Company's products still remain within the purview of the Commission's price determination.

In my report last year I had expressed my hope that the Company would be able to increase dividends while staying with the necessity of strengthening the balance sheet. Thanks to the performance this year, the Company was able to declare a higher dividend of $900,000 (previous year - $600,000), an increase of 50 % while ensuring that Shareholder funds have increased to $49,500,709 (previous year $38,988,723). The Company has also made significant progress in improving the gearing ratio (the ratio that compares the proportion of borrowed funds to shareholders' funds) from 64% to 53 %.

Outlook

The market has now acclimatised to the new norms instituted by the Fiji Commerce Commission and trading has started moving towards normalcy. The first quarter of the new year has been encouraging for the Company and we are hopeful of building on the progress made in the past two years.

Starting out as a single-product flour mill, your Company has over the years added many subsidiaries and has today become a large group, engaged in a wide range of food products such as biscuits, noodles, chips, rice and peas. As such, it is felt that the Company's present name somewhat understates what the group is today really about. A change in name has therefore been recommended to "FMF Foods Limited" which we believe would more aptly and comprehensively describe the Company and the group's businesses. I look forward to receiving your support on this important name change which will re-pledge and focus the group even sharper into all related business opportunities in the future.

Hari Punja OF, OBE, JP
Chairman
28th September 2011

FLOUR MILLS OF FIJI LIMITED

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 FMF's corporate governance standards.

This is the second year of reporting on Corporate Governance and as such FMF 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 .

As at the Balance date , the Directors in Office were Messrs Hari Punja (Chairman), Gary Callaghan , Ajai Punja and Pramesh Sharma .

Directors are paid a Board fee for their service rendered during the year . Currently they are also entitled to an allowance of $ 400 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.

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

Director	Number of meetings entitled to attend	Number of meetings attended	Apologies Received
Mr. Hari Punja	**3**	**3**	**NA**
Mr. Gary Callaghan	**3**	**3**	**NA**
Mr. Radike Qereqeretabua	**1**	**Nil**	**1**
Mr. Ajai Punja	**3**	**3**	**NA**
Mr. Pramesh Sharma	**3**	**3**	**NA**

The Board met 3 times during the financial year under review .

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 the Balance date , the Audit and Finance Committee comprised Messrs Hari Punja, Gary Callaghan , Ram Bajekal and Kumar Shankar.

Corporate Governance (Contd..)

The Audit and Finance Committee is responsible for monitoring FMF'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.
Though the sub-committee did not have any meeting during the financial year under review, the executive management took decisions in consultation with the members of the sub-committee, where necessary .

As at the Balance date , the Share Transfer Committee comprised Messrs Hari Punja , Ajai 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 31 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	FMF 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	FMF 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 Group Balance Sheet, Statements of Comprehensive Income, Statement of Changes in Equity and Group Statement of Cash Flows for the year ended 30 June 2011 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 $_{\text{OF, OBE, JP}}$ – Chairman
- Ajai Punja
- Gary Callaghan
- Radike Ulaiasi Qereqeretabua (resigned 22nd March 2011)
- Pramesh Sharma

2 Principal Activities

The principal activities of the Group comprise the milling of wheat, rice and whole dunfield peas, manufacturing of packaging materials including corrugated cartons and assorted boxes and packets, manufacturing of biscuits and snacks food products, sale of crushed and feed wheat and related products and investments.

There were no significant changes in the nature of these activities during the financial year.

3 Trading Results

The profit after income tax of the Group attributable to the members of the Holding Company for the year ended 30 June 2011 was $11,185,895 (2010: $11,086,595) and profit after tax for the holding Company was $6,612,031 (2010: $4,386,433).

4 Provisions

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

5 Dividends

The Directors declared a dividend of $900,000 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 allowance for doubtful debts, inadequate to any substantial extent.

DIRECTORS' REPORT - Continued

7 Current Assets

The Directors took reasonable steps before the statement of comprehensive income and balance sheet were made out, to ascertain that the current assets of the Company and the Group were shown in the accounting records of the Company and the Group at a value equal to or below the value that would be expected to be realised in the ordinary course of the business.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributable to the current assets in the Company and the Group's financial statements misleading.

8 Reserves

The Directors recommend that no amounts be transferred to reserves.

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 end of the financial year 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 and the Group will be able to continue in operation for at least 12 months from the date of this report. Accordingly, the Directors believe that the classification and carrying amounts of assets and liabilities as stated in the financial statements to be appropriate

11 Related Parties Transactions

In the opinion of the Directors all related parties transactions have been adequately recorded in the books of the Company and its subsidiaries and reflected in the attached financial statements.

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.

DIRECTORS' REPORT – Continued

13 Unusual Transactions

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

14 Directors' and Senior Managements' Interest

Interest of Directors' , Senior Managements' and any additions thereto during the year in the ordinary shares of the Company are as follows :

	Beneficially		Non-Beneficially	
	Additions	Holding	Additions	Holding
Hari Punja	-	-	360,000	103,215,988
Ajai Punja	-	-	-	102,965,988
Gary Callaghan	-	1,500,225	-	250,000
Anuj K Patel	-	17,500	-	-

15 Group Contribution

Contributions to Group profit after income tax are as follows:

	Contribution $
Flour Mills of Fiji Limited	6,217,507
Subsidiary companies	5,418,979
	$ 11,636,486

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 28th day of September 2011.

....
Ajai Punja - Director

....
Gary Callaghan - Director

STATEMENT BY DIRECTORS

In the opinion of the Directors:

(a) the accompanying statements of comprehensive income of the Company and of the Group are drawn up so as to give a true and fair view of the results of the Company and of the Group for the year ended 30 June 2011,

(b) the accompanying balance sheets of the Company and of the Group are drawn up so as to give a true and fair view of the state of the affairs of the Company and of the Group at 30 June 2011,

(c) the accompanying statements of changes in equity of the Company and of the Group are drawn up so as to give a true and fair view of the movement in shareholders' funds for the year ended 30 June 2011,

(d) the accompanying statements of cash flows of the Company and of the Group are drawn up so as to give a true and fair view of the cash flows of the Company and of the Group for the year ended 30 June 2011,

(e) at the date of this statement, there are reasonable grounds to believe that the Company and the subsidiaries will be able to pay their debts as and when they fall due; and

(f) all related party transactions have been adequately recorded in the books of the Company and the Group and reflected in the attached financial statements.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 28th day of September 2011.

....	....
Ajai Punja - Director	Gary Callaghan - Director

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Independent auditor's report

To the Shareholders of Flour Mills of Fiji Limited

We have audited the accompanying financial statements of Flour Mills of Fiji Limited (the 'Company') and the consolidated financial statements of the Company and its subsidiaries (together the 'Group'). The financial statements comprise the balance sheets of the Company and the Group as at 30 June 2011 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 7 to 42.

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.

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

pwc

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 and Group as at 30 June 2011 and of their financial performance, changes in equity, and their 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.

28 September 2011
Suva, Fiji

PricewaterhouseCoopers
PricewaterhouseCoopers
Chartered Accountants

FLOUR MILLS OF FIJI LIMITED
AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Group 2011 $	Group 2010 $	Holding Company 2011 $	Holding Company 2010 $
Revenue	33	181,492,682	162,546,342	90,297,890	69,439,257
Other operating income	6	972,240	5,065,740	1,059,213	5,067,224
Changes in inventories of finished goods and work in progress		(118,644)	(75,062)	16,799	218,926
Raw materials and consumables used		(125,634,383)	(111,993,454)	(68,884,966)	(52,818,284)
Staff costs		(9,021,966)	(7,706,300)	(3,455,546)	(3,005,934)
Depreciation/amortisation		(5,922,347)	(5,750,568)	(1,882,776)	(1,939,748)
Other operating expenses		(26,601,300)	(23,049,781)	(10,452,364)	(9,573,765)
Profit from operations		15,166,282	19,036,917	6,698,250	7,387,676
Net finance cost	7	(2,639,954)	(3,397,051)	(838,734)	(1,002,616)
Profit before tax	10	12,526,328	15,639,866	5,859,516	6,385,060
Income tax (expense)/credit	8	(889,842)	(4,038,886)	752,515	(1,998,627)
Profit after tax		11,636,486	11,600,980	6,612,031	4,386,433
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		$ 11,636,486	$ 11,600,980	$ 6,612,031	$ 4,386,433
Attributable to:					
- Owners of the parent		11,185,895	11,086,595		
- Non controlling interest		450,591	514,385		
		$ 11,636,486	$ 11,600,980		
Earnings per share	26	$ 0.0746	$ 0.0739		

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

FLOUR MILLS OF FIJI LIMITED AND SUBSIDIARIES

BALANCE SHEETS AS AT 30 JUNE 2011

	Notes	Group 2011 $	Group 2010 $	Holding Company 2011 $	Holding Company 2010 $
CURRENT ASSETS					
Cash and cash equivalents	11(a)	6,213,577	6,411,888	106,438	82,894
Held- to-maturity investments	15	5,355,000	6,483,355	3,416,000	4,913,500
Inventories	12	33,702,167	34,669,907	15,654,087	12,217,326
Trade receivables	13	22,497,311	21,420,373	7,554,977	5,771,225
Other receivables	14	7,868,727	9,058,042	6,467,969	447,922
Amounts owing by related companies	29(c)	-	451	211,314	509,626
		75,636,782	78,044,016	33,410,785	23,942,493
NON-CURRENT ASSETS					
Available-for-sale financial assets	16	-	-	13,979,246	13,979,246
Property, plant and equipment	17	33,011,947	38,151,175	9,571,324	11,123,912
Investment property	18	17,562,335	17,475,485	-	-
Intangible assets	19	-	-	-	-
Deferred tax asset	9(b)	2,725,891	2,752,840	1,638,532	971,256
		53,300,173	58,379,500	25,189,102	26,074,414
TOTAL ASSETS		128,936,955	136,423,516	58,599,887	50,016,907
Less:					
CURRENT LIABILITIES					
Bank overdraft	11(a)	11,950,533	19,349,591	11,016,070	10,959,252
Trade and other payables	20	13,018,126	15,795,479	7,762,191	1,780,557
Provisions	21	663,010	495,173	454,180	295,756
Borrowings	23	6,000,000	4,103,319	1,920,000	2,663,319
Amounts owing to related companies	29d)	40,462	919,163	162,740	998,510
Current tax liability	8	38,467	498,582	(164,920)	-
		31,710,598	41,161,307	21,150,261	16,697,394
NON-CURRENT LIABILITIES					
Borrowings	23	43,500,000	52,396,681	12,720,000	14,216,681
Deferred tax liability	9(a)	4,225,648	3,876,805	357,820	443,057
		47,725,648	56,273,486	13,077,820	14,659,738
TOTAL LIABILITIES		79,436,246	97,434,793	34,228,081	31,357,132
NET ASSETS		$ 49,500,709	$ 38,988,723	$ 24,371,806	$ 18,659,775
SHAREHOLDERS' EQUITY					
Issued capital	24	6,000,000	6,000,000	6,000,000	6,000,000
Reserves		40,206,499	29,920,604	18,371,806	12,659,775
		46,206,499	35,920,604	24,371,806	18,659,775
Non-controlling Interest		3,294,210	3,068,119	-	-
		$ 49,500,709	$ 38,988,723	$ 24,371,806	$ 18,659,775

Capital commitments 27

Contingencies and commitments 28

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

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 28th day of September 2011.

....
Ajai Punja - Director

....
Gary Callaghan - Director

FLOUR MILLS OF FIJI LIMITED
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

Group	Notes	Attributable to the members of the Holding Company					Non-controlling Interest	Total Shareholders' Equity
		Share Capital	Capital Profit Reserve	Foreign Currency Translation Reserve	Unappropriated Profits	Total		
		$	$	$	$	$	$	$
Balance at 30 June 2009		6,000,000	41,500	1,844	19,390,665	25,434,009	2,778,234	28,212,243
Comprehensive income								
Profit for the year		-	-	-	11,086,595	11,086,595	514,385	11,600,980
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	11,086,595	11,086,595	514,385	11,600,980
Transactions with owners								
Dividends	25	-	-	-	(600,000)	(600,000)	(224,500)	(824,500)
Balance at 30 June 2010		6,000,000	41,500	1,844	29,877,260	35,920,604	3,068,119	38,988,723
Comprehensive income								
Profit for the year		-	-	-	11,185,895	11,185,895	450,591	11,636,486
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income			-	-	11,185,895	11,185,895	450,591	11,636,486
Transactions with owners								
Dividends	25	-	-	-	(900,000)	(900,000)	(224,500)	(1,124,500)
Balance at 30 June 2011		$ 6,000,000	$ 41,500	$ 1,844	$40,163,155	$46,206,499	$ 3,294,210	$ 49,500,709

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

FLOUR MILLS OF FIJI LIMITED
AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

Holding Company

	Notes	Share Capital	Capital Profit Reserve	Unappropriated Profits	Total
		$	$	$	$
Balance at 30 June 2009		6,000,000	41,500	8,831,842	14,873,342
Comprehensive income					
Profit for the year		-	-	4,386,433	4,386,433
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	4,386,433	4,386,433
Transactions with owners					
Dividend	25	-	-	(600,000)	(600,000)
Balance at 30 June 2010		6,000,000	41,500	12,618,275	18,659,775
Comprehensive income					
Profit for the year		-	-	6,612,031	6,612,031
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	6,612,031	6,612,031
Transactions with owners					
Dividend	25	-	-	(900,000)	(900,000)
Balance at 30 June 2011		$ 6,000,000	$ 41,500	$ 18,330,306	$ 24,371,806
		===========	===========	============	============

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

FLOUR MILLS OF FIJI LIMITED
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Cash flows from operating activities			
Receipts from customers		226,053,427	159,158,996
Payments to suppliers and employees		(207,412,837)	(157,791,026)
Cash generated from operations		18,640,590	1,367,970
Income tax paid		(976,430)	(36,307)
Interest paid		(2,705,677)	(3,321,422)
Insurance proceeds		-	2,246,150
Net cash from operating activities		14,958,483	256,391
Cash flows from investing activities			
Acquisition of investment properties		(39,250)	(299,890)
Acquisition of property, plant and equipment		(819,167)	(2,607,526)
Proceeds from sale of property, plant and equipment		-	625,000
Investment/ (Withdrawal) in term deposits		1,225,181	(2,256,252)
Net cash from/ (used in) investing activities		366,764	(4,538,668)
Cash flows from financing activities			
Net proceeds from borrowings		-	9,146,715
Net repayment of borrowings		(7,000,000)	-
Net loan to related companies		-	4,850,000
Dividends paid		(1,124,500)	(376,919)
Net cash (used in) /from financing activities		(8,124,500)	13,619,796
Net increase in cash and cash equivalents		7,200,747	9,337,519
Cash and cash equivalents at the beginning of the year		(12,937,703)	(22,275,222)
Cash and cash equivalents at the end of the year	11(a)	($ 5,736,956)	($ 12,937,703)
		===========	===========

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

FLOUR MILLS OF FIJI LIMITED
AND SUBSIDIARIES

HOLDING COMPANY STATEMENT OF CASH FLOW
YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Cash flows from operating activities			
Receipts from customers		83,866,683	73,532,783
Payments to suppliers and employees		(80,908,547)	(72,896,545)
Cash generated from operations		2,958,136	636,238
Income tax (paid) / credit received		(164,920)	125,331
Net cash from operating activities		2,793,216	761,569
Cash flows from investing activities			
Acquisition of property, plant and equipment		(345,254)	(614,521)
Withdrawal/ (Investment) in term deposits		1,497,500	(2,256,254)
Net cash from / (used in) investing activities		1,152,246	(2,870,775)
Cash flows from financing activities			
Net interest paid on borrowings		(838,736)	(1,351,343)
Net repayment of borrowings		(2,240,000)	(3,504,934)
Net loan to related companies		-	(2,335,000)
Dividends paid		(900,000)	(600,000)
Net cash used in financing activities		(3,978,736)	(7,791,277)
Net decrease in cash and cash equivalents		(33,274)	(9,900,483)
Cash and cash equivalents at the beginning of the year		(10,876,358)	(975,875)
Cash and cash equivalents at the end of the year	11(a)	($ 10,909,632)	($ 10,876,358)

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

1 GENERAL INFORMATION

Flour Mills of Fiji Limited (the Company) and its subsidiaries (together forming the Group) engage in the milling of wheat, rice and whole dunfield peas, manufacturing of packaging materials including corrugated cartons and assorted boxes and packets, manufacturing of biscuits and snacks food products, sale of crushed and feed wheat and related products and investments. The Company is incorporated in the Republic of Fiji with limited liability. The Company and two of its subsidiaries, The Rice Company of Fiji Limited and Atlantic & Pacific Packaging Company Limited are listed on the South Pacific Stock Exchange.

These financial statements were authorised for issue by the Board of Directors on 28th September 2011 .

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by Flour Mills of Fiji Limited and its subsidiaries are stated to assist in a general understanding of these financial statements. These policies have been consistently applied by the Company and its subsidiaries except where otherwise indicated.

2.1 Basis of preparation

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 historical costs basis, as modified by the revaluation of available-for-sale financial assets.

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 2011 or later periods, but the Group has not early adopted them. Adoption of these standards and interpretations will not have any significant impact on the Group's financial statements.

- IFRS1 Amendment – Hyperinflation and fixed dates (effective 1 July 2011)
- IFRS7 Amendment – Financial instruments: Disclosures (effective 1 July 2011)
- IAS 1 Amendment – 'Presentation of financial statements on Other Comprehensive Income' (effective 1 July 2012)
- IAS 12 Amendment – 'Income taxes' on deferred tax (effective 1 January 2012)
- IAS 19 Amendment – 'Employee benefits' (effective 1 January 2013)
- IAS 27 Amendment – 'Separate financial statements' (effective 1 January 2013)
- IAS 28 Amendment – 'Associates and joint ventures' (effective 1 January 2013)
- IFRS 9 Amendment – 'Financial instruments' (effective 1 July 2013)
- IFRS10 Amendment – 'Consolidated financial statements' (effective 1 January 2013)
- IFRS11 Amendment – 'Joint arrangements' (effective 1 January 2013)
- IFRS12 Amendment – 'Disclosures of interests in other entities' (effective 1 January 2013)
- IFRS13 Amendment – 'Fair value measurement' (effective 1 January 2013)

2.2 Principles of consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2.2 Principles of consolidation cont'd

(a) Subsidiaries – cont'd

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions and non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. Disposals to non-controlling interests result in gains and losses for the Group that are recorded in the statement of comprehensive income. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2.3 Segment reporting

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 are subject to risks and return that are different from those of segments operating in other economic environments. Sales between segments are carried out at arm's length basis.

2.4 Foreign currency translation

i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Fijian 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 statement of comprehensive income.

2.5 Property, plant and equipment

Property, 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 Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2.5 Property, plant and equipment – cont'd

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

Premium on leasehold land	- term of lease
Buildings	- 2.5%
Plant and machinery	- 4% - 10%
Motor vehicles	- 25%
Furniture, fittings and office machines	- 10%
Computers	- 33.33%

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 statement of comprehensive income.

2.6 Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields. Investment properties are stated at historical cost less any accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation rates are as noted in note 2.5.

2.7 Intangible assets

Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Acquired trademarks are shown at historical cost. Amortisation is charged on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

2.8 Financial assets

The Group classifies its financial assets in the following categories: loans and receivables, held to maturity and available-for-sale. Management determines the classification of its financial assets at initial recognition. The classification depends on the purpose for which the financial assets were acquired.

2.8.1 Classification

(a) Loans and receivables

The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' that are included in current assets in the balance sheet.

(b) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity other than those that:

- Group designates as available for sale and
- Meets the definition of loans and receivables

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2.8 Financial assets – cont'd

2.8.1 Classification - cont'd

(c) Available-for-sale financial assets

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

Amounts expended to acquire a share, upon coming into existence of the copyright to an audio visual production, is stated at a value expected to be recovered from the exploitation of the copyright in accordance with that production's Investment Agreement.

2.8.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at cost plus, transaction costs that are directly attributable to their acquisition.

Loans and receivables, available-for-sale and held-to-maturity investments are subsequently carried at cost less provision for impairment.

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

Interest income on held-to-maturity investments are included in the consolidated statement of comprehensive income and are reported under finance income as interest income**.** In the case of impairment, it has been reported as a deduction from the carrying value of the investment and recognised in the consolidated statement of comprehensive income as impairment on investment.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.10 Impairment of financial assets

The company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.12 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.

2.13 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 Group 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 statement of comprehensive income 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 statement of comprehensive income.

2.14 Cash and cash equivalents

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

2.15 Share capital

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets.

2.16 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables and other accounts payable are recognised at fair value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

2.18 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 in Fiji, where the Company's subsidiaries and associates operate and generate taxable income. 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 consolidated financial statements. However, the deferred income tax is not accounted 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.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of temporary difference will not reverse in the foreseeable future.

2.19 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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.

Liabilities for other employee entitlements, which are not expected to be paid or settled within twelve months of reporting date, are accrued in respect of all employees at the present value of future amounts expected to be paid.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or recoverable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

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

(a) Sale of Goods

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

(b) Audio Visual Copyrights

Proceeds from exploitation of copyrights in audio visual productions are brought to account when received in accordance with the copyrights' related Investment Agreement.

(c) Dividend Income

Dividend income is recognised when the right to receive payment is established.

(d) Interest Income

Interest income is recognised on a time-proportion basis using the effective interest or compound interest method which matches income earned to the funds employed on a constant basis. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

2.21 Leases

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 statement of comprehensive income on a straight-line basis over the period of the lease.

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 statement of comprehensive income 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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2.23 Earnings per share

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.

Diluted earnings per share

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

2.24 Comparative figures

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

2.25 Rounding

Amounts have been rounded to the nearest dollar except where otherwise noted

3 CRITICAL ACCOUNTING 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 2.5 – Property, plant and equipment

Note 2.19 – Provisions

4 FINANCIAL RISK MANAGEMENT

The Group'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 Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by 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 Group'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 Group 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.

4 FINANCIAL RISK MANAGEMENT – cont'd

(a) Market risk – cont'd

(i) Foreign exchange risk – cont'd

Management has set up a policy to require the Group companies 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 then the Fiji Dollar. For significant settlements, the Group is required to seek quotations from recognised banks and use the most favourable exchange rate for purposes of the settlement.

As at year end, assets and liabilities denominated in foreign currencies are minimal and hence changes in the US and Australian dollars by 10% (increase or decrease) is expected to have minimal impact on the net profit and equity balances currently reflected in the Company's financial statements. Because of minimal asset and liability balances in overseas currencies, there has been little sensitivity to movements in the US and Australian dollars.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as Investments. The Group is not exposed to commodity price risk. To manage its price risk arising from investment in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

(iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group'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.

(c) Liquidity risk

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

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

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

4 FINANCIAL RISK MANAGEMENT – cont'd

(c) Liquidity risk – cont'd

As at 30 June 2011	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 Years	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Borrowings	6,000	6,160	18,320	19,020	49,500
Creditors and accruals	13,681	-	-	-	13,681
Total	**19,681**	**6,160**	**18,320**	**19,020**	**63,181**
As at 30 June 2010					
Borrowings	4,103	6,620	19,706	26,071	56,500
Creditors & accruals	16,291	-	-	-	16,291
Total	**20,394**	**6,620**	**19,706**	**26,071**	**72,791**

5 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital is 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.

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 equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. "Equity comprises of "quassi" equity through shareholder advances.

The gearing ratios at 30 June 2011 and 2010 were as follows:

	2011	2010
	$	$
Total borrowings (note 23)	49,500,000	56,500,000
Add: cash, cash equivalents and bank overdrafts (note 11)	5,736,956	12,937,703
Net debt	55,236,956	69,437,703
Equity (page 9)	49,500,709	38,988,723
Total capital	$ 104,737,665	$108,426,426
	===========	==========
Gearing ratio	53%	64%

The improvement in the gearing ratio during 2011 resulted primarily from the improvement in operating results for the financial year.

6 OTHER INCOME

	Group 2011 $	Group 2010 $	Holding Company 2011 $	Holding Company 2010 $
Gain on disposal of assets	2,932	502,747	2,932	502,747
Exchange (loss)/gain	576,660	996,298	-	359,125
Dividend income	-	-	505,500	506,503
Insurance proceeds	-	2,271,985	-	2,246,150
Other	392,648	1,294,710	550,781	1,452,699
	$ 972,240	$ 5,065,740	$ 1,059,213	$ 5,067,224

7 NET FINANCE INCOME AND EXPENSE

	Group 2011 $	Group 2010 $	Holding Company 2011 $	Holding Company 2010 $
Finance income				
Interest income on term deposits	258,255	353,343	274,914	248,149
Finance costs				
Interest on borrowings	(2,898,209)	(3,750,394)	(1,113,648)	(1,250,765)
Net finance income and expense	($ 2,639,954)	($ 3,397,051)	($ 838,734)	($ 1,002,616)

8 INCOME TAX EXPENSE/ (CREDIT)

The prima facie income tax payable on pre-tax accounting profit/ (loss) is reconciled to the income tax expense/(credit) in the statement of comprehensive income as follows:

	Group 2011 $	Group 2010 $	Holding Company 2011 $	Holding Company 2010 $
Profit/ (loss) before tax	12,526,324	15,679,866	5,859,516	6,385,060
Prima facie tax payable/ (credit) at 20%/28% (2010: 29%)	3,005,387	4,547,161	1,171,903	1,851,667
Tax effects of:				
- Exempt dividends	-	-	(101,100)	(146,886)
- Non-deductible items (net)	84,562	4,470	17,204	299
- Sports fund exempt	-	-	-	-
- Change in tax rate	96,940	(40,067)	152,249	18,865
Prior year adjustments	(1,825,740)	272,560	(1,819,055)	369,833
Export incentive	(474,895)	(636,899)	(173,716)	(95,151)
Effect of differentiated tax rates	(101,100)	-	-	-
Tax losses recognised	-	(108,339)	-	-
Tax losses not recognised	104,688	-	-	-
Income tax expense/ (credit)	889,842	4,038,886	(752,515)	1,998,627
Temporary differences	(373,527)	(3,137,241)	752,515	(1,998,627)
	516,315	901,645	-	-
Add: Opening current tax liability	498,582	(366,756)	-	(125,331)
Less: Tax paid	(976,430)	(36,307)	(164,920)	125,331
Current tax liability/ (asset)	$ 38,467	$ 498,582	($ 164,920)	$ -

8 INCOME TAX EXPENSE/(CREDIT) – cont'd

Under Table C6 of the Fiji Income Tax, any Company listed with South Pacific Stock Exchange for a minimum period of 3 years or over and has a minimum of 40% resident shareholding is subject to an income tax rate of 20%. Accordingly the income tax rate for listed companies in the group was reduced from 29% to 20% effective for the 2010 tax year.

9 DEFERRED TAX

Represented by the tax effect of the following temporary differences:

(a) **Deferred tax liability**

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Property, plant and equipment	3,411,749	3,088,771	-	-
Other	813,899	788,034	357,820	443,057
	4,225,648	3,876,805	357,820	443,057

(b) **Deferred tax asset**

	Group 2011	Group 2010	Holding Company 2011	Holding Company 2010
Tax losses	2,276,506	2,163,798	1,332,619	604,483
Other	152,077	203,003	152,077	200,893
Provisions	297,308	386,039	153,836	165,880
	$ 2,725,891	$ 2,752,840	$ 1,638,532	$ 971,256

Deferred tax assets are recognised for tax losses carried-forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable.

10 PROFIT BEFORE TAX

Included in profit before tax are the following items of revenue and expenses:

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Revenue				
Gain on disposal of property, plant and equipment	2,932	502,747	2,932	502,747
Interest income	258,255	353,343	274,914	248,149
Exchange gain	576,660	996,298	-	359,125
Expenses				
Depreciation	5,943,327	6,103,787	1,882,776	1,939,748
Interest	2,898,209	3,750,394	1,113,648	1,250,765
Auditors' remuneration				
- PricewaterhouseCoopers	95,364	69,250	25,000	25,000
- Other auditors	70,364	70,898	-	-
Directors' emoluments				
- Directors' fees	14,200	9,333	14,200	9,333
Employee entitlements	(26,430)	72,231	-	-
Doubtful debts	11,038	142,919	18,327	127,011

11 CASH AND CASH EQUIVALENTS

(a) For the purpose of the consolidated cash flow statement, cash includes cash at bank and on hand, net of outstanding bank overdrafts. Cash at the end of the year as shown in the consolidated cash flow statement is reconciled to the related items in the consolidated balance sheet as follows:

	Group		Holding	
	2011	2010	2011	2010
	$	$	$	$
Cash at bank and on hand	6,213,577	6,411,888	106,438	82,894
Bank overdraft	(11,950,533)	(19,349,591)	(11,016,070)	(10,959,252)
Cash and cash equivalents	($ 5,736,956)	($ 12,937,703)	($ 10,909,632)	($ 10,876,358)
	===========	===========	==========	===========

(b) **FINANCING FACILITIES**

Bank overdraft facilities totalling $15m (2010: $15m), interchangeable amongst the Group companies were available. Refer note 22 for securities provided.

12 INVENTORIES

The valuation policy adopted in respect of inventories is set out in note 2.12.

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Finished products	6,011,341	6,997,854	1,648,108	1,678,641
Raw materials	13,964,320	18,619,211	7,222,739	8,875,624
Packing materials	4,469,107	4,410,831	864,064	485,394
Consumable stores	2,176,028	2,184,087	465,767	443,272
Work in progress	300,825	258,902	242,601	195,268
Spares	868,135	539,127	754,528	539,127
	27,794,712	33,010,012	11,197,807	12,217,326
Goods in transit	5,912,411	1,659,895	4,456,280	-
	$ 33,702,167	$ 34,669,907	$ 15,654,087	$12,217,326
	==========	==========	==========	=========

13 TRADE RECEIVABLES

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Trade receivables	23,138,812	22,184,069	7,869,977	6,067,898
Less: provision for impairment of trade receivables	(641,501)	(763,696)	(315,000)	(296,673)
Trade receivables - net	$ 22,497,311	$ 21,420,373	$ 7,554,977	$ 5,771,225
	==========	==========	==========	==========

Trade receivables that are less than one month past due are not considered impaired.

13 TRADE RECEIVABLES – cont'd

As of 30 June 2011, trade receivables of $ 5,507,298 (2010: $ 5,014,808) 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:

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Over 1 month	4,666,543	4,302,020	1,040,739	648,413
Over 2 months	840,755	712,788	166,967	59,703
	$ 5,507,298	$ 5,014,808	$ 1,207,706	$ 708,116

As of 30 June 2011, trade receivables of $ 509,032 (2010: $819,641) were impaired and provided for. The total amount of the provision was $ 641,501 as of 30 June 2011 (2010: $763,696). 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 condition 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:

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Over 1 month	-	-	-	-
Over 2 months	509,032	819,641	315,000	296,673
	$ 509,032	$ 819,641	$ 315,000	$ 296,673

Movements on provision for impairment of trade receivables are as follows:

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
At 1 July	763,696	665,952	296,673	154,734
Provision for impaired receivables	26,884	164,619	18,327	141,939
Reclassification of provision for doubtful debts from other receivables	26,280	-	-	-
Unused amounts reversed	(175,359)	(66,875)	-	-
At 30 June	$ 641,501	$ 763,696	$ 315,000	$ 296,673

The provision for impaired receivables has been included in "other operating expenses" in the statement of comprehensive income (page 7). 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 Group does not hold any collateral as security.

14 OTHER RECEIVABLES

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Other receivables	7,885,509	9,089,478	6,467,969	447,922
Less: provision for impairment of other receivables	(16,782)	(31,436)	-	-
	$ 7,868,727	$ 9,058,042	$ 6,467,969	$ 447,922

Movements on provision for impairment of other receivables are as follows:

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
At 1 July	31,436	262,657	-	-
Provision for impaired receivables	-	-	-	-
Unused amounts reversed	(14,654)	(231,221)	-	-
At 30 June	$ 16,782	$ 31,436	$ -	$ -

15 HELD TO MATURITY FINANCIAL ASSETS

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Term deposits	$ 5,355,000	$ 6,483,355	$ 3,416,000	$ 4,913,500

16 AVAILABLE FOR SALE FINANCIAL ASSETS

(a) Investments are stated at cost less provision for impairment and comprise:

	% Interest	Country of Incorporation	Group 2011 $	Group 2010 $	Holding Company 2011 $	Holding Company 2010 $
Unlisted Companies						
Bakery Company (Fiji) Limited (non operating)	100	Fiji	-	-	-	-
Pea Industries Limited	100	Fiji	-	-	128,250	128,250
Biscuit Company of (Fiji) Limited	100	Fiji	-	-	500,000	500,000
DHF Limited	100	Fiji	-	-	300,000	300,000
FMF Dairy Company Limited (non operating)	100	Fiji	-	-	999	999
FMF Investment Company Limited	100	Fiji	-	-	6,399,997	6,399,997
FMF Snax Limited	100	Fiji	-	-	2,000,000	2,000,000
FMF Samoa Limited (non operating)	75	Samoa	-	-	-	-
			-	-	9,329,246	9,329,246
Provision for impairment			-	-	-	-
			-	-	9,329,246	9,329,246
Listed Companies						
The Rice Company of Fiji Limited (Market value as at 30.6.11 - $10,575,000)	75	Fiji	-	-	2,250,000	2,250,000
Atlantic & Pacific Packaging Company Limited (Market value as at 30.6.11 - $3,696,000)	60	Fiji	-	-	2,400,000	2,400,000
Total investments			$ -	$ -	$13,979,246	$ 13,979,246
			=========	=========	=========	==========

(b) The financial statements of subsidiaries, The Rice Company of Fiji Limited, FMF Snax Limited and FMF Investment Company Limited are audited by G. Lal + Co.

(c) FMF Samoa was non operational and was derecognised in 2010.

17 PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold Land & Building	Freehold Land & Building	Motor Vehicles	Plant, Office Furniture & Equipment	WIP	Total
As at 1 July 2009						
Cost	6,285,117	1,554,271	2,957,816	55,556,461	10,870,325	77,223,990
Accumulated Depreciation	(3,075,870)	(315,115)	(2,501,980)	(29,192,334)	-	(35,085,299)
Net book amount	3,209,247	1,239,156	455,836	26,364,127	10,870,325	42,138,691
Year ended 30 June 2010						
Opening net book amount	3,209,247	1,239,156	455,836	26,364,127	10,870,325	42,138,691
Additions	38,667	-	255,867	1,953,219	359,773	2,607,526
Disposals	(104,106)	-	(18,147)	(135,582)	(1,850)	(259,685)
Depreciation charge	(181,527)	(38,053)	(250,915)	(5,301,146)	-	(5,771,641)
Transfers	-	-	-	9,029,449	(9,593,165)	(563,716)
Closing net book value	2,962,281	1,201,103	442,641	31,910,067	1,635,083	38,151,175
At 30 June 2010						
Cost	6,134,565	1,554,271	2,783,975	66,203,095	1,635,083	78,310,989
Accumulated Depreciation	(3,172,284)	(353,168)	(2,341,334)	(34,293,028)	-	(40,159,814)
Net book amount	$ 2,962,281	$ 1,201,103	$ 442,641	$ 31,910,067	$ 1,635,083	$ 38,151,175
Year ended 30 June 2011						
Opening net book amount	2,962,281	1,201,103	442,641	31,910,067	1,635,083	38,151,175
Additions	-	-	239,700	570,996	8,471	819,167
Transfers	-	-	-	79,111	(79,111)	-
Disposals	-	-	(15,068)	-		(15,068)
Depreciation charge	(177,009)	(38,053)	(239,605)	(5,488,660)	-	(5,943,327)
Closing net book value	2,785,272	1,163,050	427,668	27,071,514	1,564,443	33,011,947
At 30 June 2011						
Cost	6,134,566	1,554,271	2,944,027	67,047,403	1,564,443	79,244,710
Accumulated Depreciation	(3,349,294)	(391,221)	(2,516,359)	(39,975,889)	-	(46,232,763)
Net book amount	$ 2,785,272	$ 1,163,050	$ 427,668	$ 27,071,514	$ 1,564,443	$ 33,011,947

17 PROPERTY, PLANT AND EQUIPMENT – Continued

Company

	Leasehold Land & Building	Freehold Land & Building	Motor Vehicles	Plant, Office Furniture & Equipment	Total
As at 1 July 2009					
Cost	6,326,616	1,554,271	2,721,320	22,277,700	32,879,907
Accumulated Depreciation	(3,075,870)	(315,115)	(2,275,516)	(14,764,267)	(20,430,768)
Net book amount	3,250,746	1,239,156	445,804	7,513,433	12,449,139
Year ended 30 June 2010					
Opening net book amount	3,250,746	1,239,156	445,804	7,513,433	12,449,139
Additions	38,666	-	255,867	442,242	736,775
Disposals	(104,106)	-	(18,148)	-	(122,254)
Depreciation charge	(181,525)	(38,053)	(240,238)	(1,479,932)	(1,939,748)
Closing net book value	3,003,781	1,201,103	443,285	6,475,743	11,123,912
At 30 June 2010					
Cost	6,134,566	1,554,272	2,608,582	22,713,692	33,011,112
Accumulated Depreciation	(3,130,785)	(353,169)	(2,165,297)	(16,237,949)	(21,887,200)
Net book amount	$ 3,003,781	$ 1,201,103	$ 443,285	$ 6,475,743	$ 11,123,912
Year ended 30 June 2011					
Opening net book amount	3,003,781	1,201,103	443,285	6,475,743	11,123,912
Additions	-	-	192,663	152,591	345,254
Disposals	-	-	(15,066)	-	(15,066)
Depreciation charge	(177,009)	(38,053)	(232,055)	(1,435,659)	(1,882,776)
Closing net book value	2,826,772	1,163,050	388,827	5,192,675	9,571,324
At 30 June 2011					
Cost	6,134,566	1,554,272	2,693,908	22,866,283	33,249,029
Accumulated Depreciation	(3,307,794)	(391,222)	(2,305,081)	(17,673,608)	(23,677,705)
Net book amount	$ 2,826,772	$ 1,163,050	$ 388,827	$ 5,192,675	$ 9,571,324

18 INVESTMENT PROPERTIES

(i) Investment properties have been included in the financial statements on the following bases:

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Leasehold land - at cost	4,855,110	4,855,110	-	-
Less: Accumulated depreciation	315,406	265,418	-	-
	4,539,704	4,589,692	-	-
Leasehold buildings - at cost	14,792,185	14,366,775	-	-
Less: Accumulated depreciation	1,769,554	1,480,982	-	-
	13,022,631	12,885,793	-	-
Total – at cost	19,647,295	19,221,885		
Less: Accumulated depreciation	2,084,960	1,746,400	-	-
	$ 17,562,335	$ 17,475,485	$ -	$ -
	==========	==========	==========	==========

The depreciation and amortisation policies are set out in note 2.5.

(ii) Reconciliation of investment property - Group

	Land	Building	Total
	$	$	$
Carrying amount at 30 June 2010	4,589,692	12,885,793	17,475,485
Additions	-	425,410	425,410
Transfers	-	-	-
Depreciation expense	(49,988)	(288,572)	(338,560)
Carrying amount at 30 June 2011	$ 4,539,704	$ 13,022,631	$ 17,562,335
	===========	==========	==========

19 INTANGIBLE ASSETS

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
F1 Audio Visual production	1,458,212	1,458,212	1,458,212	1,458,212
Provision for impairment	(1,458,212)	(1,458,212)	(1,458,212)	(1,458,212)
	$ -	$ -	$ -	$ -
Trademarks – at cost	-	-	-	-
Accumulated amortisation	-	-	-	-
Impairment loss	-	-	-	-
	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -

The amortisation policy adopted in respect of trademark is set out in note 2.7.

20 TRADE AND OTHER PAYABLES

The policy adopted in respect of trade and other payables is set out in note 2.16.

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Trade payables	10,402,677	5,456,044	7,079,225	538,980
Other payables and accruals	2,615,449	10,339,435	682,966	1,241,577
	$ 13,018,126	$ 15,795,479	$ 7,762,191	$ 1,780,557

21 PROVISIONS

Provision for annual leave	$ 663,010	$ 495,173	$ 454,180	$ 295,756

22 BANK OVERDRAFT AND BORROWINGS

The secured loans (refer note 23) and overdrafts of the Group are secured by a first registered mortgage debenture over all the assets of the Group including uncalled capital and unpaid premiums, an irrevocable authority by a subsidiary FMF Investment Company Limited to execute mortgage over LD 4/16/6951, cross guarantees by the Fiji subsidiaries, and a negative pledge by a subsidiary Atlantic & Pacific Packaging Company Limited not to lend or grant security to another party.

The secured loan of the holding Company is repayable at the rate of $160,000 per month whilst the monthly repayments by the subsidiaries, Biscuit Company of (Fiji) Limited is repayable at the rate of $220,000 per month, FMF Investment Company Limited is repayable at the rate of $95,000 per month and FMF Snax Limited is repayable at the rate of $25,000 per month.

The carrying amounts of borrowings approximate their fair values.

23 BORROWINGS

	Group 2011 $	Group 2010 $	Holding Company 2011 $	Holding Company 2010 $
Non-Current				
ANZ Bank (refer note 22)	$ 43,500,000	$ 52,396,681	$ 12,720,000	$ 14,216,681
Current				
ANZ Bank (refer note 22)	$ 6,000,000	$ 4,103,319	$ 1,920,000	$ 2,663,319

24 SHARE CAPITAL

	Group 2011 $	Group 2010 $	Holding Company 2011 $	Holding Company 2010 $
Authorised: 250,000,000 shares of $0.04 each	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000
Issued: 150,000,000 shares of $0.04 each fully paid	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000

25 DIVIDENDS

	Group 2011 $	Group 2010 $	Holding Company 2011 $	Holding Company 2010 $
Interim dividend	$ 1,124,500	$ 824,500	$ 900,000	$ 600,000

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

26 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group 2011 $	Group 2010 $	Holding Company 2011 $	Holding Company 2010 $
Operating profit after tax attributable to members of the holding Company	11,185,895	11,086,595	6,612,031	4,386,433
Weighted average number of ordinary shares issued	150,000,000	150,000,000	150,000,000	150,000,000
Basic earnings per share	$ 0.0746	$ 0.0739	$ 0.0441	$ 0.0292

	Group 2011 $	Group 2010 $	Holding Company 2011 $	Holding Company 2010 $

27 CAPITAL COMMITMENTS

	Group 2011	Group 2010	Holding Company 2011	Holding Company 2010
Capital commitments not provided for in the financial statements	$ -	$ -	$ -	$ -

28 CONTINGENCIES AND COMMITMENTS

		Group 2011	Group 2010	Holding Company 2011	Holding Company 2010
(a)	Letters of credit	$ 1,153,232	$ 300,707	$ -	$ -
(b)	Guarantees and bonds	$ 343,921	$ 442,223	$ 309,120	$ 307,422

(c) The holding Company and its Fiji subsidiaries have given cross guarantees for the Group's borrowings to ANZ Bank (Refer Note 23).

29 RELATED PARTIES

(a) **Directors**

The names of persons who were Directors of the Company at anytime during the financial year are as follows: Hari Punja, Gary Callaghan, Radike Ulaiasi Qereqeretabua, Pramesh Sharma and Ajai Punja.

Payments to Directors are disclosed in Note 10.

(b) **Ultimate Holding Company**

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

(c) **Amounts Owing by Related Companies**

	Group 2011 $	Group 2010 $	Holding Company 2011 $	Holding Company 2010 $
Penultimate Holding Company				
Hari Punja and Sons Limited	-	451	-	425
Related Company				
Petroleum and Gas Co (Fiji) Limited	-	-	-	-
Subsidiaries				
FMF Samoa Limited	-		-	-
FMF Investment Company Limited	-	-	-	3,556
Biscuit Company of Fiji Limited	-	-	1,715	131
FMF Snax Limited	-	-	-	-
DHF Limited	-	-	130,293	-
Atlantic & Pacific Packaging Company Limited	-	-	1,781	168,000
Pea Industries Limited	-	-	7,052	14
The Rice Company of Fiji Limited	-	-	70,473	337,500
	$ -	$ 451	$ 211,314	$ 509,626

29 RELATED PARTIES - continued

(d) Amounts Owing to Related Companies

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Penultimate Holding Company				
Hari Punja & Sons Limited	40,004	523,566	-	410,424
Related Company				
Petroleum & Gas Co (Fiji) Limited	458	395,597	-	15,891
Subsidiaries				
The Rice Company of Fiji Limited	-	-	-	-
Atlantic & Pacific Packaging Company Limited	-	-	7,073	-
DHF Limited	-	-	69,000	572,195
FMF Investments Limited	-	-	8,709	-
Biscuit Company of (Fiji) Ltd	-	-	75,691	-
FMF Snax Limited	-	-	2,267	-
Pea Industries Limited	-	-	-	-
	$ 40,462	$ 919,163	$ 162,740	$ 998,510

29 RELATED PARTIES - continued

(e) **Related Party Transactions**

During the year, the Group sourced raw materials, packaging materials and spare parts from director-related parties outside Fiji, paid management fees and rent to a related company and obtained insurance covers from a related company.

Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with these director-related parties and subsidiaries were as follows:

	Group		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Income				
Sales	-	-	18,050,578	15,302,656
Administration fees	-	-	672,000	975,600
Dividends	-	-	505,500	505,500
Promotion & advertising	-	-	50,411	73,000
Milling & other charges	-	-	80,251	162,241
Rent	-	-	-	7,500
Interest	-	-	16,987	12,933
Expenses				
Purchase of raw materials	-	-	164,083	961,558
Purchase of packaging materials	-	-	104,714	105,859
Insurance	-	-	816,795	-
Interest	-	-	157,390	105,008
Milling fees	-	-	-	28,584
Rent	-	-	144,000	144,000
Management fees	2,130,688	1,046,109	-	102,000

During the year, advances were made among the holding company and subsidiary companies at an interest rate of 2.5%. These amounts had been settled in full as at year ended 30 June 2011.

Some of the Group's insurance covers are placed by independent insurance brokers Marsh Limited, with a related company Dominion Insurance Limited. Certain subsidiaries' insurance covers are arranged by the holding company for a fee.

Transactions with director-related entities were on normal trading terms and conditions no more favourable than those which would have been adopted if dealing with the director-related entities at arms length in the same circumstances. The management fees paid are approved by the respective Companies' Boards.

29 RELATED PARTIES - continued

(f) Key Management Personnel

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

During the year the executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Company included the Chief Executive Officer, Chief Financial Officer and Group General Manager.

The aggregate compensation of the key management personnel of the holding Company was comprised of only short-term benefits.

	Holding Company	
	2011	2010
	$	$
Emoluments	660,634	598,690

30 SHARE REGISTER AND REGISTERED OFFICE

The registered office of the company as follows:

2 Leonidas Street
Walu Bay
SUVA

31 OPERATING LEASES

(a) Details of operating leases held by the Company are as follows:

(i) On 1 July 2007 the Company entered into a Crown lease agreement Ref 17674 with the government of the Republic of Fiji to lease a piece of land at Walu Bay. The terms of the lease agreement is for a period of 99 years ending on 1 July 2106. The lease as per agreement is with FMF Investment but FMF bears the cost as it is located on the site
Under the agreement, rent is currently payable at the rate of $68,000 per annum.

(ii) On 1 Jan 1999 the Company entered into a Crown lease agreement with the Government of the Republic of Fiji to lease a piece of land at Navutu. The terms of the lease agreement is for a period of 99 years ending on 1 Jan 2098.

Under the agreement, rent is currently payable at the rate of $6,000 per annum.

(iii) On 23 January 1992 the Company entered into a Crown Lease agreement with the Government of the Republic of Fiji to lease a piece of land at Muanikau. The terms of the lease agreement is for a period of 60 years ending on 31 May 2052.
Under the agreement, rent is payable at the rate of $900 per annum.

31 OPERATING LEASES - continued

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

	Group		Holding	
	2011	2010	2011	2010
	$	$	$	$
Payable not later than 1 year	1,506,050	3,384,750	74,900	37,500
Payable later than 1 year but not later than 5 years	527,500	2,114,200	299,600	286,000
Payable later than 5 years	9,644,932	11,928,950	6,719,300	6,476,750
	$11,678,482	$17,427,900	$7,093,800	$ 6,800,250

32 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 end of the financial year 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.

33 SEGMENT INFORMATION

(a) **Secondary Reporting – Geographical Segments**

The Group operates only in the geographical segment of Fiji. FMF Samoa Limited was non operational and was derecognised in 2010.

33 SEGMENT INFORMATION

(b) **Primary Reporting - Business Segments - 2011**

	Flour & Wheat	Biscuit	Rice	Dun Peas	Packaging Materials	Rental	Snax	2011 Inter Segment eliminations	Total
	$	$	$	$	$	$	$	$	$
Sales	91,542,236	78,828,556	12,296,702	3,666,737	7,723,715	-	10,843,710	(23,408,974)	181,492,682
Other income	1,162,087	565,630	312,126	23,606	-	1,831,070	102,621	(3,024,900)	972,240
	$ 92,704,323	$ 79,394,186	$12,608,828	$ 3,690,343	$ 7,723,715	$ 1,831,070	$ 10,946,331	($ 26,433,874)	$ 182,464,922
Segment result before income tax and finance costs	6,699,959	3,948,284	1,192,901	750,992	553,356	1,440,177	975,134	(394,521)	15,166,282
Net Finance costs	(838,890)	(1,285,708)	69,355	(2,470)	(19,496)	(409,667)	(153,078)	-	(2,639,954)
Profit/(loss) before income tax expense	5,861,069	2,662,576	1,262,256	748,522	533,860	1,030,510	822,056	(394,521)	12,526,328
Income tax (expense)/credit	752,080	(635,868)	(276,938)	(209,586)	(23,206)	(284,190)	(212,134)	-	(889,842)
Net profit/(loss)	$ 6,613,149	$ 2,026,708	$ 985,318	$ 538,936	$ 510,654	$ 746,320	$ 609,922	($ 394,521)	$ 11,636,486
Segment assets	58,579,137	41,980,581	7,312,629	1,948,398	4,603,903	21,091,183	5,168,002	(14,472,769)	126,211,064
Deferred tax asset	1,639,704	538,750	17,782	2,800	10,439	490,198	26,218	-	2,725,891
Total assets	$ 60,218,841	$ 42,519,331	$ 7,330,411	$ 1,951,198	$ 4,614,342	$ 21,581,381	$ 5,194,220	$ (14,472,769)	$ 128,936,955

33 SEGMENT INFORMATION - Continued

(b) **Primary Reporting - Business Segments - 2011 continued**

	Flour & Wheat	Biscuit	Rice	Dun Peas	Packaging Materials	Rental	Snax	2011 Inter Segment eliminations	Total
	$	$	$	$	$	$	$	$	$
Segment liabilities	8,521,267	3,631,610	537,776	23,346	262,454	208,576	1,114,344	(577,775)	13,721,598
Deferred tax liabilities	357,820	2,028,180	2,654	26,328	222,698	1,509,274	78,694	-	4,225,648
Provision for income tax	(164,485)	-	155,240	156,354	40,386	(157,634)	8,606	-	38,467
Secured loans	14,640,000	22,380,000	-	-	-	10,005,000	2,475,000	-	49,500,000
Bank overdraft	11,016,070	-	-	-	-	872,924	61,539		11,950,533
Total liabilities	$ 34,370,672	$ 28,039,790	$ 695,670	$ 206,028	$ 525,538	$ 12,438,140	$ 3,738,183	($ 577,775)	$ 79,436,246
Acquisition of property, plant and equipment, intangibles and other non current segment assets	$ 345,254	$ 392,587	$ -	$ -	$ 68,376	$ 424,456	$ 4,479	$ -	$ 1,235,152
Depreciation and amortisation expense	$ 1,882,776	$ 3,392,884	$ -	$ 1,080	$ 278,742	$ -	$ 366,865	$ -	$ 5,922,347
Net cash inflow/ (outflow) from operating activities	$ 1,842,528	$10,872,834	($ 514,930)	$ 536,691	$ 697,397	$ 1,177,253	$ 1,054,276	($ 505,500)	$ 15,160,549

33 SEGMENT INFORMATION

(b) **Primary Reporting - Business Segments - 2010**

	Flour & Wheat $	Biscuit $	Rice $	Dun Peas $	Packaging Materials $	Rental $	Snax $	2010 Inter Segment eliminations $	Total $
Sales	79,787,875	71,506,109	8,965,063	3,758,076	7,924,564	1,925,907	9,298,774	(20,620,026)	162,546,342
Other income	5,392,540	3,820,794	265,849	9,509	10,549	-	91,028	(4,524,529)	5,065,740
	$ 85,180,415	$ 75,326,903	$ 9,230,912	$ 3,767,585	$ 7,935,113	$ 1,925,907	$ 9,389,802	($ 25,144,555)	$ 167,612,082
Segment result before income tax and finance costs	8,520,583	5,974,909	682,029	699,248	1,365,804	1,524,044	1,041,697	(771,397)	19,036,917
Finance costs	(1,358,839)	(1,462,809)	(15,245)	(15,249)	(1,840)	(520,084)	(225,246)	202,261	(3,397,051)
Profit/(loss) before income tax expense	7,161,744	4,512,100	666,784	683,999	1,363,964	1,003,960	816,451	(569,136)	15,639,866
Income tax (expense)/credit	(2,223,907)	(664,749)	(197,153)	(196,928)	(371,520)	(270,362)	(114,267)	-	(4,038,886)
Net profit/(loss)	$ 4,937,837	$ 3,847,351	$ 469,631	$ 487,071	$ 992,444	$ 733,598	$ 702,184	($ 569,136)	($ 11,600,980)
Segment assets	58,294,321	50,701,370	7,563,312	1,655,051	5,539,119	20,601,022	5,090,447	(15,238,966)	134,205,676
Deferred tax asset	972,428	1,182,695	85,702	2,069	15,675	284,399	209,872	-	2,752,840
Total assets	$ 59,266,749	$ 51,884,065	$ 7,649,014	$ 1,657,120	$ 5,554,794	$ 20,885,421	$ 5,300,319	($ 15,238,966)	$ 136,958,516

33 SEGMENT INFORMATION - Continued

(b) Primary Reporting - Business Segments – 2010 continued

	Flour & Wheat	Biscuit	Rice	Dun Peas	Packaging Materials	Rental	Snax	Inter Segment eliminations	2010 Total
	$	$	$	$	$	$	$	$	$
Segment liabilities	10,159,085	4,561,388	1,438,854	73,809	1,188,437	95,415	811,308	(1,118,481)	17,209,815
Deferred tax liabilities	443,057	2,036,258	-	24,430	294,958	1,019,282	58,820	-	3,876,805
Provision for income tax	155,339	-	110,737	140,267	213,249	(118,750)	(2,260)	-	498,582
Secured loans	17,415,000	25,460,000	-	-	-	11,335,000	2,825,000	-	57,035,000
Bank overdraft	10,959,252	7,373,586	-	212,380	-	43,037	761,336	-	19,349,591
Total liabilities	$ 39,131,733	$ 39,431,232	$ 1,549,591	$ 450,886	$ 1,696,644	$ 12,373,984	$ 4,454,204	($ 1,118,481)	$ 97,969,793
Acquisition of property, plant and equipment, intangibles and other non current segment assets	$ 736,776	$ 1,266,212	$ -	$ -	$ 82,848	$ 305,551	$ 241,028	$ -	$ 2,632,415
Depreciation and amortisation expense	$ 1,939,748	$ 3,157,056	$ -	$ 1,080	$ 287,849	$ -	$ 364,835	$ -	$ 5,750,568
Net cash inflow/ (outflow) from operating activities	($ 1,552,372)	($ 3,782,477)	$ 1,968,520	$ 663,087	$ 745,543	$ 1,226,331	$ 1,135,769	($ 303,240)	$ 101,161

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 6.31(iv):

	NAME	SHARES
1	HARI PUNJA & SONS LTD	102,605,988
2	UNIT TRUST OF FIJI (TRUSTEE CO)	12,932,000
3	FIJI NATIONAL PROVIDENT FUND	6,717,975
4	REDDYS' ENTERPRISES LIMITED	2,113,050
5	GARY CALLAGHAN	1,500,225
6	COLONIAL FIJI LIFE LIMITED	1,488,840
7	FIJIAN HOLDINGS LIMITED	1,298,200
8	THAKURLAL JIWAN NARSEY	1,108,175
9	JITENDRA KUMAR M NARSEY	1,090,450
10	VENILAL MAGANLAL NARSEY	675,950
11	JAYANTILAL RATANJI NARSEY	582,825
12	LAKSHMIKANT DHARAMSI SAMPAT	500,000
13	BECHARBHAI HOLDINGS LTD	499,950
14	KONTIKI FUNDS LIMITED	427,410
15	KANTI LAL PUNJA	375,000
16	JAGMOHANLAL JIWAN NARSEY	358,275
17	DAYABHAI NATHUBHAI PATEL	318,700
18	SHANTILAL PATEL	279,900
19	SURESH CHANDRA	274,950
20	VIJAY KUMAR	274,950

(b) Schedule of each class of equity security in compliance with listing requirements 6.31(v):

Distribution of ordinary shareholders:

No. of Holders	Holding	Total % Holding
3	less than 500 shares	0.00
93	500 to 5,000 shares	0.24
75	5,001 to 10,000 shares	0.42
75	10,001 to 20,000 shares	0.83
40	20,001 to 30,000 shares	0.68
15	30,001 to 40,000 shares	0.39
23	40,001 to 50,000 shares	0.75
47	50,001 to 100,000 shares	2.46
48	100,001 to 1,000,000 shares	6.99
9	Over 1,000,000 shares	87.24
428	**Total**	**100.00**

LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE (NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT) - Continued

(c) Disclosure under Section 6.31 (viii):

	FMF Samoa Limited	Pea Industries Limited	Biscuit Company of (Fiji) Limited	DHF Limited	The Rice Company of Fiji Limited	Atlantic & Pacific Packaging Company Limited	FMF Investment Company Limited	FMF Snax Limited
	$	$	$	$	$	$	$	$
Turnover	-	3,666,737	78,828,556	1,244,346	12,296,702	7,723,715	1,817,400	10,843,710
Other Income	-	23,606	565,630	102,874	312,126	-	13,670	102,621
	-	3,690,343	79,394,186	1,347,220	12,608,828	7,723,715	1,831,070	10,946,331
Depreciation	-	1,080	3,392,884	-	-	278,742	-	366,865
Other expenses	-	2,940,741	73,338,726	1,345,668	11,346,572	6,911,113	800,560	9,757,410
Income tax expense	-	209,586	635,868	435	276,938	23,206	284,190	212,134
	-	3,151,407	77,367,478	1,346,103	11,623,510	7,213,061	1,084,750	10,336,409
Net profit after tax	$ -	$ 538,936	$2,026,708	$ 1,117	$ 985,318	$ 510,654	$ 746,320	$ 609,922
Total assets	$ -	$ 1,951,198	$42,519,331	$1,618,954	$ 7,330,411	$ 4,614,342	$21,698,682	$ 5,194,220
Total liabilities	$ -	$ 206,028	$28,039,790	$ 142,591	$ 695,670	$ 525,538	$12,440,925	$ 3,738,183
Shareholders equity	$ -	$ 1,745,170	$14,479,541	$1,476,363	$ 6,634,741	$ 4,088,804	$ 9,257,757	$ 1,456,037

(d) Disclosure under Section 6.31 (xii):

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

	2011	2010	2009	2008	2007	2006
Net Profit after Tax	**11,636,486**	**11,600,980**	**(6,959,345)**	**4,509,994**	**(1,180,558)**	**2,168,149**
Current Assets	75,636,782	78,044,016	46,487,101	57,544,964	38,580,503	39,269,600
Non - Current Assets	53,300,173	58,379,500	68,925,796	63,436,838	67,357,304	56,044,352
Total Assets	**128,936,955**	**136,423,516**	**115,412,897**	**120,981,802**	**105,937,807**	**95,313,952**
Current Liabilities	31,710,598	41,161,307	44,634,327	42,692,406	47,689,671	32,830,590
Non - Current Liabilities	47,725,648	56,273,486	42,566,327	43,005,808	24,139,542	24,943,064
Total Liabilities	**79,436,246**	**97,434,793**	**87,200,654**	**85,698,214**	**71,829,213**	**57,773,654**
Shareholders Equity	**49,500,709**	**38,988,723**	**28,212,243**	**35,283,588**	**34,108,594**	**37,540,298**

Summary of key financial results for the previous five years for the Holding company :

	2011	2010	2009	2008	2007	2006
Net Profit after Tax	**6,612,031**	**4,386,433**	**(7,259,153)**	**4,450,932**	**(2,447,001)**	**2,545,912**
Current Assets	33,410,785	23,942,493	14,854,238	20,790,580	22,662,369	20,420,603
Non - Current Assets	25,189,102	26,074,414	30,549,059	32,515,457	35,496,849	32,659,109
Total Assets	**58,599,887**	**50,016,907**	**45,403,297**	**53,306,037**	**58,159,218**	**53,079,712**
Current Liabilities	21,150,261	16,697,394	13,297,045	11,323,708	28,074,229	16,831,449
Non - Current Liabilities	13,077,820	14,659,738	17,232,910	19,849,834	9,403,426	11,180,644
Total Liabilities	**34,228,081**	**31,357,132**	**30,529,955**	**31,173,542**	**37,477,655**	**28,012,093**
Shareholders Equity	**24,371,806**	**18,659,775**	**14,873,342**	**22,132,495**	**20,681,563**	**25,067,619**

FLOUR MILLS OF FIJI LIMITED
LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE (NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT) - Continued

(e)Disclosure under Section 6.31 (xiii) (a) :

Dividend declared per share :

	2011	2010	2009	2008	2007	2006
Cents per share	0.60	0.40	-	2.00	1.20	1.20

(f) Disclosure under Section 6.31 (xiii) (b) :

Earnings per share (Group):

	2011	2010	2009	2008	2007	2006
Cents per share	7.46	7.39	(4.77)	2.58	(1.11)	1.30

Earnings per share (Holding Company):

	2011	2010	2009	2008	2007	2006
Cents per share	4.41	2.92	(4.84)	2.96	(1.63)	1.70

(g) Disclosure under Section 6.31 (xiii) (c) :

Net tangible assets per share (Group):

	2011	2010	2009	2008	2007	2006
Cents per share	33.00	25.99	18.45	23.14	22.73	25.02

Net tangible assets per share (Holding company) :

	2011	2010	2009	2008	2007	2006
Cents per share	16.25	12.44	9.56	14.40	13.79	16.71

(h) Disclosure under Section 6.31 (xiii) (d) :

Share price during the year (Cents per share)	2011	2010
Highest	0.69	0.69
Lowest	0.40	0.69
On 30th June	0.50	0.69

Minutes of the Thirty-Eighth Annual General Meeting , held at 3.00 p.m. on Friday , the 19th November 2010 at the Training Room of Atlantic & Pacific Packaging Company Limited , Bounty Street , Walu Bay , Suva .

PRESENT

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

Ten other shareholders / proxy holders were present in person.

APOLOGIES

Mr. Gary Callaghan and Mr. Ajai 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 20th November 2009 .
Proposed by : Mr. Vitnesh Prasad
Seconded by : Mr. Anuj Patel

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 20th November 2009 .

MATTERS ARISING OUT OF EARLIER MINUTES: Nil

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.
Proposed by : Mr. Anuj Patel
Seconded by : Ms. Shalini

The motion as proposed and seconded by the above named persons was put for discussion.
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 2010.

TO ELECT , IN ACCORDANCE WITH ARTICLE 86 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY , MR. RADIKE QEREQERETABUA AS A DIRECTOR OF THE COMPANY , WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-ELECTION.
Proposed by : Mr. Hari Punja
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 re-elected Mr. Hari Punja as a Director of the company.

TO APPOINT MR. PRAMESH SHARMA , AS A DIRECTOR OF THE COMPANY .

Proposed by : Mr. Mahendra Pal Singh
Seconded by : Mr. Anuj Patel

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. Pramesh Sharma as a Director of the company.

TO APPOINT THE RETIRING AUDITORS, M/S PRICEWATERHOUSECOOPERS, CHARTERED ACCOUNTANTS. AS THE STATUTORY AUDITORS OF THE COMPANY FROM THE CONCLUSION OF THIS MEETING UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING

Proposed by: Ms. Shalini Naidu
Seconded by: Mr. Fonua Kotobalavu

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.

TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION :

" RESOLVED THAT the following amendments be and are hereby carried to the Articles of Association of the company :

- Article 88 Sub clause (b) :
  Substitute the word ' Eighty ' instead of 'Seventy Five '
- Article 88 Sub clause (c) :
  Substitute the word ' Eighty ' instead of 'Seventy Five ' . "

Proposed by : Mr. Youneeda
Seconded by : Mr. Anuj Patel
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 carried out the amendments to the Articles of Association of the company .

General

The Chairman read out sections from the Chairman's Report . There was a general discussion on the operations of the company.

Vote of Thanks to the Chair:

Proposed by: Mr. Youneeda

Thereafter the Chairman declared the meeting as closed.

Sd/-
Chairman

FLOUR MILLS OF FIJI LIMITED

PROXY FORM

Share Folio No . ………..……..……………

No. of shares held ……….….….…………..

The Company Secretary ,
Flour Mills Of Fiji Limited ,
P O Box 977 ,
Suva , Fiji Islands .

I/WE………..……………………………………………………………………………………..…

Of ………………..……………….………………………………………………………………….

Being a member / members of **FLOUR MILLS OF FIJI 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 3.00 p.m. on Friday , the **28th October 2011** and at any adjournment thereof.

As witness to my/our hands this……….day of ………………2011 , 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 70 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 ________________________________