

# **THE RICE COMPANY OF FIJI LIMITED**

**ANNUAL REPORT  
2010**

# THE RICE COMPANY OF FIJI LIMITED

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**DIRECTORS AND ADVISORS**

**DIRECTORS**

Mr. Hari Punja OF, OBE, JP - Chairman  
Mr. Ajai Punja  
Mr. Gary Callaghan

**CHIEF EXECUTIVE**

Mr. Ram Bajekal

**GROUP CFO & COMPANY SECRETARY**

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

**AUDITORS**

M/S G.Lal + Co.,  
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  
Suva.

**REGISTERED OFFICE**

Lot 2, Leonidas Street,  
Walu Bay, Suva.

Telephone: 330 1188 Fax : 3300 944  
Email : kumars@ fmf.com.fj

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Fourteenth Annual General Meeting of the members of The Rice Company of Fiji Limited will be held at 3.30 p.m. on Friday , the **22nd October 2010**, in the Training room at Atlantic & Pacific Packaging Company Limited, Leonidas Street, Walu Bay , Suva to transact the following business :

**Business**

1. Confirmation of the minutes of the previous Annual General Meeting held on 20<sup>th</sup> November 2009 .
2. Matters arising from the minutes.
3. To receive and adopt the Audited Balance Sheets and Profit and Loss Statements and the reports of the Directors and Auditors for the year ended 30<sup>th</sup> June 2010.
4. To elect , in accordance with Article 99 of the Articles of Association of the company , Mr. Gary Callaghan as a Director of the company . He retires by rotation and being eligible, offers himself for re-election.
5. To appoint M/s. G.Lal + Co., Chartered Accountants , as the Statutory Auditors of the company. The Directors recommend appointment of M/s G.Lal+Co, Chartered Accountants as the Statutory Auditors of the company from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a fee to be negotiated by the Directors.
6. Any other business brought up in conformity with the Articles of Association of the company .
7. **Special Business** : To consider, and if thought fit, to pass the following resolution as a special resolution:  
**Resolution** : "RESOLVED THAT the following amendment be and is hereby carried to Article 103 Sub clause (f) of the Articles of the Association of the company::  
Substitute the word ' Eighty ' instead of 'Seventy Five ' ."

By order of the Board of Directors,



Kumar Shankar  
Group CFO &  
Company Secretary

**Dated : 17th September 2010 .**

**Suva , Fiji .**

**Explanatory Statement for the Special Business :**

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

# THE RICE COMPANY OF FIJI LIMITED

## CHAIRMAN'S REPORT

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Dear Shareholders,

Last year , I described our result as disastrous for our shareholders after we incurred a loss of \$113,182.

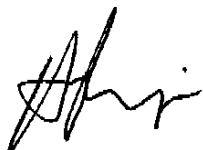
In the second half of 2009 The Government decided to arbitrarily reduce import duty on white rice from 15% to zero and subsequently we had to cease milling brown rice which resulted in loss of jobs and a write off of machinery values.

From this very dismal starting point at the end of 2009 , I have some pleasure in reporting an after tax profit of \$469,631 for the year just ended. Our revenue has reduced from \$18.9 million to just under \$ 9 million.

The company has had to change from being a manufacturing company to a trader and distributor of finished product. The fact that we have been able to achieve change and make a profit within 12 months is a credit to management and staff.

Due to profits made and retained in earlier years the company's balance sheet is very strong with shareholders equity at over \$6 million and no external debt. For this reason the Board decided to pay almost all of the profit earned to shareholders by declaring a total dividend payment of \$450,000.

The importation of white rice is a competitive business with relatively low margins. The outlook for 2010 is a continuation of existing profit levels which will see a positive return but not to the levels of prior years.



Hari Punja OF, OBE, JP  
Chairman  
17<sup>th</sup> September 2010

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 RCF's corporate governance standards.

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

**Role of the Board**

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

**The Board**

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

The Directors in Office on 30<sup>th</sup> June 2010 were Messrs Hari Punja (Chairman), Gary Callaghan and Ajai Punja .

Directors are paid a Board fee for their service rendered during the year . They are also entitled to an allowance of \$ 200 per meeting attended, towards travel and accommodation costs. Directors are also covered under a Directors and Officers' Liability Insurance Policy .

**Meetings of the Board**

The regular business of the Board during its meetings covers business investments and strategic matters, governance and compliance, the Chief Executive's report, financial report and performance of subsidiary companies.

The Board met 4 times during the financial year ended 30<sup>th</sup> June 2010 .

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

**Sub-committees of the Board**

The Board has formally constituted two sub-committees ; viz

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

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

The Audit and Finance Committee is responsible for monitoring RCF's financial strategies, monitoring the external audit of the company's affairs, reviewing the half-year and annual financial statements, and monitoring the company's compliance with applicable laws and stock exchange requirements.

The Committee is also responsible for monitoring the Risk Management Policy to ensure that key business and operational risks are identified and appropriate controls and procedures are put in place to manage those risks .

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

As at 30<sup>th</sup> June 2010 , the Share Transfer Committee comprised Messrs Hari Punja , Gary Callaghan , Ajai Punja , 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 6 times during the year under review.

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

<b>Principle</b>	<b>Company's response</b>
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	RCF 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	RCF 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 statement of financial position of the company as at 30 June 2010, the related statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended on that date and report as follows:

### Directors

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

Hari Punja OF, OBE, JP - Chairman  
Ajai Punja  
Gary Callaghan

### Principal Activities

The principal activity of the company during the year was that of importing of bulk rice as a finished good and repacking and selling in different pack sizes.

In the current year, the company had stopped the import and processing of brown rice. Processing of brown rice, which was the left over from prior year, was processed for the first four months of the financial year.

Other than the above, there were no significant changes in the nature of these activities during the financial year.

### Results

The profit after income tax for the financial year amounted to \$469,631 (2009: loss after income tax \$113,182).

### Dividends

During the year, dividend of \$450,000 was declared for the year ended 30 June 2010.

### Reserves

Except for the movements disclosed in the statement of changes in equity, it is proposed that no other amounts be transferred to reserves within the meaning of the Seventh Schedule of the Companies Act, 1983.

### Bad and Doubtful Debts

Prior to the completion of the company's financial statements, the directors took reasonable steps to ascertain that action has been taken in relation to writing off of bad debts and the making of allowance for doubtful debts. In the opinion of the directors, adequate allowance has been made for doubtful debts.

As 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 allowance for doubtful debts in the company, inadequate to any substantial extent.

### Non Current Assets

Prior to the completion of the financial statements of the company, the directors took reasonable steps to ascertain whether any non current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the company. Where necessary, these assets have been written down or adequate allowance has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the directors are not aware of any circumstances, which would render the values attributed to non current assets in the company's financial statements misleading.



**Unusual Transactions**

In the opinion of the directors, the results of the operations of the company during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the company in the current financial year.

**Events Subsequent to Balance Date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

**Other Circumstances**

As at the date of this report:

- (i) no charge on the assets of the company has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the company could become liable; and
- (iii) no contingent liabilities or other liabilities of the company has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the company to meet its obligations as and when they fall due.

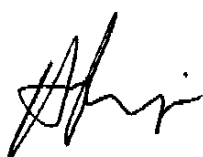
As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the company misleading or inappropriate.

**Directors' Benefits**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in the financial statements) by reason of a contract made by the company or by a related company with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

For and on behalf of the board and in accordance with a resolution of the directors.

Dated this 17<sup>th</sup> day of September 2010.



.....  
Hari Punja - Chairman



.....  
Gary Callaghan - Director

**THE RICE COMPANY OF FIJI LIMITED**

**STATEMENT BY DIRECTORS**

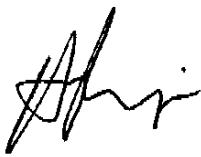
**Page 4**

In accordance with a resolution of the board of directors of The Rice Company of Fiji Limited, we state that in the opinion of the directors:

- [i] the accompanying statement of comprehensive income of the company is drawn up so as to give a true and fair view of the results of the company for the year ended 30 June 2010;
- [ii] the accompanying statement of changes in equity of the company is drawn up so as to give a true and fair view of the changes in equity of the company for the year ended 30 June 2010;
- [iii] the accompanying statement of financial position of the company is drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 2010;
- [iv] the accompanying statement of cash flow of the company is drawn up so as to give a true and fair view of the cash flows of the company for the year ended 30 June 2010;
- [v] at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due;
- [vi] all related party transactions have been adequately recorded in the books of the company; and
- [vii] the financial statements have been properly prepared in accordance with International Financial Reporting Standards.

For and on behalf of the board and in accordance with a resolution of the directors.

Dated this 17<sup>th</sup> day of September 2010.



.....  
Hari Punja - Chairman



.....  
Gary Callaghan - Director

**INDEPENDENT AUDITORS' REPORT****To the members of The Rice Company of Fiji Limited****Report on the Financial Statements**

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We have audited the accompanying financial statements of The Rice Company of Fiji Limited, which comprise the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statements of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 7 to 23.

**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 the requirements of the 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.

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT [CONT'D]

To the members of The Rice Company of Fiji Limited (Cont'd)

Opinion

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In our opinion:

- (a) proper books of account have been kept by the company, so far as it appears from our examination of those books; and
- (b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards:
  - i) are in agreement with the books of account;
  - ii) to the best of our information and according to the explanations given to us:
    - (a) give a true and fair view of the state of affairs of the company as at 30 June 2010 and of the results, cash flows and changes in shareholders' equity of the company for the year ended on that date; and
    - (b) give the information required by the 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.

SUVA, FIJI  
17 SEPTEMBER 2010

  
CHARTERED ACCOUNTANTS.

**THE RICE COMPANY OF FIJI LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2010**

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	<u>Notes</u>	<u>2010</u>	<u>2009</u>
Revenue	6	\$ 8,965,063	18,923,616
Cost of sales		<u>(8,296,018)</u>	<u>(18,698,407)</u>
Gross profit		669,045	225,209
Other income	7	<u>265,849</u>	<u>418,803</u>
		934,894	644,012
Administration and operating expenses		(220,341)	(516,232)
Selling and marketing expenses		(32,524)	(253,818)
Finance costs		<u>(15,245)</u>	<u>(27,899)</u>
<b>Profit / (loss) before income tax</b>	17	<b>666,784</b>	<b>(153,937)</b>
Income tax benefit / (expense)	8	<u>(197,153)</u>	<u>40,755</u>
<b>Profit / (loss) for the year</b>		<b>469,631</b>	<b>(113,182)</b>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<b>\$ <u>469,631</u></b>	<b><u>(113,182)</u></b>
 <b>Earnings / (loss) per share:</b>			
Basic & diluted	18	<u>7.83 cents</u>	<u>(1.89) cents</u>

The accompanying notes form an integral part of this statement of comprehensive income.

**THE RICE COMPANY OF FIJI LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2010**

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	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$
Balance as at 30 June 2008	3,000,000	3,192,974	6,192,974
Dividends declared (Note 19)	-	-	-
Loss for the year ended 30 June 2009	-	(113,182)	(113,182)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(113,182)	(113,182)
Balance as at 30 June 2009	3,000,000	3,079,792	6,079,792
Dividends declared (Note 19)	-	(450,000)	(450,000)
Profit for the year ended 30 June 2010	-	469,631	469,631
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	469,631	469,631
Balance as at 30 June 2010	<b>3,000,000</b>	<b>3,099,423</b>	<b>6,099,423</b>

The accompanying notes form an integral part of this statement of changes in equity.

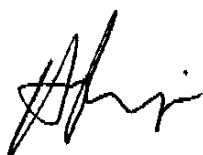
THE RICE COMPANY OF FIJI LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2010

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	<u>Notes</u>	<u>2010</u>	<u>2009</u>
<b>CURRENT ASSETS</b>			
Cash and bank balances		\$ 4,389,948	-
Trade and other receivables	9	728,051	2,172,175
Financial assets	10	-	2,335,000
Inventories	11	2,445,313	1,685,080
Current tax asset	8	-	11,124
<b>Total current assets</b>		<b><u>7,563,312</u></b>	<b><u>6,203,379</u></b>
<b>NON-CURRENT ASSETS</b>			
Deferred tax asset	12	85,702	100,994
<b>Total non-current assets</b>		<b><u>85,702</u></b>	<b><u>100,994</u></b>
<b>TOTAL ASSETS</b>		<b><u>7,649,014</u></b>	<b><u>6,304,373</u></b>
<b>CURRENT LIABILITIES</b>			
Bank overdraft		-	20,494
Trade and other payables	13	1,438,854	204,087
Current tax liability	8	110,737	-
<b>Total current liabilities</b>		<b><u>1,549,591</u></b>	<b><u>224,581</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>1,549,591</u></b>	<b><u>224,581</u></b>
<b>NET ASSETS</b>		<b><u>6,099,423</u></b>	<b><u>6,079,792</u></b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	16	3,000,000	3,000,000
Retained earnings		3,099,423	3,079,792
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b><u>\$ 6,099,423</u></b>	<b><u>6,079,792</u></b>

The accompanying notes form an integral part of this statement of financial position.

For and on behalf of the board and in accordance with a resolution of the directors.



.....  
Hari Punja - Chairman



.....  
Gary Callaghan Director

THE RICE COMPANY OF FIJI LIMITED  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30 JUNE 2010

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	2010 Inflows/ (Outflows)	2009 Inflows/ (Outflows)
<b>Cash flows from operating activities</b>		
Receipts from customers	\$ 10,241,208	19,141,382
Payments to suppliers	(8,197,443)	(19,346,278)
Cash generated from / (used in) operations	2,043,765	(204,896)
Interest paid	(15,245)	(27,899)
Income tax paid	(60,000)	(814,288)
Interest received	109,342	159,223
Net cash provided by / (used in) operating activities	2,077,862	(887,860)
<b>Cash flows from investing activities</b>		
Advance given to holding company	(2,580,000)	-
Advance given to Biscuit Company of Fiji Ltd	(2,000,000)	-
Advance to holding company repaid	4,915,000	665,000
Advance to Biscuit Company of Fiji Ltd repaid	2,000,000	-
Net cash provided by investing activities	2,335,000	665,000
<b>Cash flows from financing activities</b>		
Payment of dividends	(2,420)	-
Unclaimed dividend written back	-	5,266
Net cash provided by / (used in) financing activities	(2,420)	5,266
Net increase / (decrease) in cash and cash equivalents	4,410,442	(217,594)
Cash and cash equivalents at the beginning of the year	(20,494)	197,100
Cash and cash equivalents at the end of the year (Note 14)	\$ 4,389,948	(20,494)

The accompanying notes form an integral part of this statement of cash flow.



**NOTE 1. GENERAL INFORMATION**

The Rice Company of Fiji Limited (the company) is a limited liability company incorporated and domiciled in Fiji. The address of its registered office and principal place of business is disclosed in Note 25 to the financial statements and the company is listed on the South Pacific Stock Exchange.

The principal activity of the company during the year was that of importing of bulk rice as a finished good and repacking and selling in different pack sizes.

In the current year, the company had stopped the import and processing of brown rice. Processing of brown rice, which was the left over from prior year, was processed for the first four months of the financial year.

**NOTE 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)**

*Standards and Interpretations affecting amounts reported in the current period (and / or prior periods)*

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements.

*Standards affecting presentation and disclosure*

IAS 1 (Presentation of Financial Statements - 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

**(a) Statement of Compliance**

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").

**(b) Basis of preparation**

The financial statements have been prepared on the basis of historical cost convention, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(b) Basis of preparation (Cont'd)**

The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in Note 4.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

*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 the accounting periods beginning on or after 1 January 2010 or later periods, but the company has not early adopted them. No significant impact is expected to arise out of these standards, amendments and interpretations.

- IAS 1 (Amendment), 'Presentation of Financial Statements'.
- IAS 7 (Amendment), 'Cash Flow Statements'.
- IAS 17 (Amendment), 'Leases'.
- IAS 24 (Amendment), 'Related Party Transactions'.
- IAS 32 (Amendment), 'Financial Instruments – Presentation'.
- IAS 36 (Amendment), 'Impairment of Assets'.
- IAS 39 (Amendment), 'Financial Instruments – Recognition and Measurement'.
- IFRS 9 (New), 'Financial Instruments – Classification and Measurement'.

**(c) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

**(d) Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within interest bearing borrowings in current liabilities in the statement of financial position.

**(e) Comparatives**

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

**(f) Dividends 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.

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(g) Earnings per share**

*Basic earnings per share*

Basic earnings per share (EPS) is determined by dividing profit after income tax attributable to shareholders of the company 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.

**(h) Financial assets**

Financial assets are recognised and initially measured at fair value, plus transaction costs. Financial assets are classified into the following specific category:

*Loans and advances*

Loans and advances are recognised at recoverable amount, after assessing required provisions for impairment.

**(i) Foreign currency transactions**

*Functional and presentation currency*

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

*Transactions and balances*

Foreign currency transactions during the year are translated to Fiji currency using the rate of exchange ruling at the date of transaction. Amounts payable and receivable in foreign currencies at balance date are converted at rates ruling at that date. All gains and losses arising from fluctuations in exchange rates are brought to account in determining the results for the year.

**(j) Income tax**

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either 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 statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(j) Income tax (Cont'd)**

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

*Current and deferred tax for the period*

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited outside the statement of comprehensive income (whether in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside the statement of comprehensive income, or where it arises from the initial accounting for a business combination, in which case tax effect is included in the accounting for the business combination.

**(k) Inventories**

Inventories comprising of raw materials, packaging materials, finished goods, goods in transit and work-in-progress are valued at the lower of cost and net realizable values. Cost is based on the weighted average cost method. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. Work-in-progress and finished goods includes cost of raw materials, manufacturing expenses and appropriate proportion of direct and indirect overheads. Provision for inventory obsolescence is raised based on a review of inventories. Inventories considered obsolete or unsaleable are provided for in the year in which they are identified.

**(l) Provisions**

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**(m) Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of rice and allied products in the ordinary course of the company's activities. Revenue is shown net of Value Added Tax, returns, rebates and discounts.

Revenue from the sale of products is recognised when the company has transferred to the buyer the significant risks and rewards of ownership of the goods.

Interest income is recognised on a time-proportion basis using the effective interest method.

Freight recovery is recognised when the company has rendered the services.

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(n) Segment reporting**

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns and that have similar economic characteristics.

For reporting purposes, the company considers itself to be operating in one operating segment as its predominant revenue source is from sale of rice products. Revenue from other sources are not material for the purposes of segment reporting. In addition the company operates in Fiji only and hence one geographical segment.

**(o) Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(p) Trade and other payables**

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

**(q) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within administration and 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 revenue in the statement of comprehensive income.

**(r) Value Added Tax**

Revenues, expenses, assets and liabilities are recognised net of the amount of Value Added Tax (VAT), except:

- i) where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii) for receivables and payables which are recognised inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

**NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Deferred tax assets*

Deferred tax assets are recognised for all tax losses to the extent that taxable profits will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely level of future taxable profits together with future planning strategies.

**NOTE 5. FINANCIAL RISK MANAGEMENT**

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

Risk management is carried out by management under policies approved by the board of directors. The management identifies and evaluates financial risks in close co-operation with the company's operating units. The board provides policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

(a) **Market risk**

i) *Foreign exchange risk*

The company undertakes transactions denominated in foreign currencies: consequently, exposures to exchange rate fluctuation arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amount of the company's foreign currency denominated monetary liabilities at the end of reporting period are as follow:

	<u>Liabilities</u>	
	2010	2009
	(F\$)	(F\$)
US Dollar	913,749	62,683

ii) *Foreign currency sensitivity analysis*

The company is mainly exposed to the currency of USA.

The following table details the company's sensitivity to a 10% increase and decrease in Fiji dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. If the FJD strengthen/weaken by 10% against the USD with all other variables held constant, pre- tax profit impact is as follows:

	<u>USD Currency Impact</u>	
	2010	2009
	(F\$)	(F\$)
Profit or loss		
- Weaken	(101,528)	(6,965)
- Strengthen	83,068	5,698

NOTE 5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (Cont'd)

iii) Price risk

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

iv) Regulatory risk

The company's profitability can be significantly impacted by regulatory agencies established. Specifically, retail and wholesale prices are regulated by Prices and Income Board.

v) Cash flow and fair value interest rate risk

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

(b) Credit risk

Credit risk is managed by management with board oversight. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to 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 credit approval. Individual credit risk limits are then set based on the assessments done. Individual risk limits are set based on the assessments done. The utilisation of credit limits is regularly monitored. Credit sales to retail customers are settled in either cash or cheques.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet the company's present obligations.

The company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows. All of the company's financial liabilities, i.e trade and other payables at balance date are expected to be settled within the next 12 months.

NOTE 6. REVENUE

	2010	2009
Rice	\$ 9,193,150	20,151,822
Rice pollard	100,369	700,665
	9,293,519	20,852,487
Deduct : discounts and rebates	(328,456)	(1,928,871)
Net sales	\$ 8,965,063	18,923,616

NOTE 7. OTHER INCOME	2010	2009
Exchange gain - realised	\$ 57,877	189,477
Freight recovery	72,013	87,803
Interest income	109,342	99,223
Sundry income	26,617	42,300
Total other income	<u>265,849</u>	<u>418,803</u>

NOTE 8. INCOME TAX

a) Income tax expense / (benefit)

The prima facie tax expense / (benefit) on profit / (loss) is reconciled as follows:

Profit / (loss) before income tax	666,784	(153,936)
Prima facie tax / (benefit) thereon at 29% (2009: 31%)	193,367	(47,720)
Tax effect of:		
Tax incentives	-	(775)
Effect on deferred tax balances due to the change in income tax rate from 29% to 28% (2009: 31% to 29%)	3,061	6,965
Under provision of income tax in prior year	725	775
Income tax expense / (benefit) attributable to profit / (loss)	<u>197,153</u>	<u>(40,755)</u>
Income tax expense / (benefit) comprises movements in:		
Provision for income tax	181,861	775
Deferred tax asset	15,292	(41,530)
	<u>197,153</u>	<u>(40,755)</u>

b) Current tax liability / (Current tax asset)

Movements during the year were as follows:

Balance at the beginning of the year	(11,124)	802,389
Income tax paid	(60,000)	(813,010)
Transfer from VAT account	-	(1,278)
Under provision in prior year	-	775
Tax liability for the current year	181,861	-
Balance at the end of the year	<u>\$ 110,737</u>	<u>(11,124)</u>



**NOTE 9. TRADE AND OTHER RECEIVABLES**

	<u>2010</u>	<u>2009</u>
Trade receivables	\$ 948,795	2,077,221
Less: allowance for doubtful debts	(238,151)	(223,049)
	<u>710,644</u>	<u>1,854,172</u>
Other receivables and advances	55,945	292,309
Less: allowance for doubtful recovery	(55,945)	-
	<u>-</u>	<u>292,309</u>
Prepayments	2,500	2,500
VAT receivables	14,907	23,194
	<u>728,051</u>	<u>2,172,175</u>

**Ageing of past due but not impaired:**

30 – 60 days	100,862	177,351
60 – 90 days	16,728	1,000
Over 90 days	80,972	166,095
	<u>198,562</u>	<u>344,446</u>

**Movement in the allowance for doubtful debts:**

Opening balance	223,049	191,818
Impairment losses recognised on receivables	71,047	31,231
	<u>294,096</u>	<u>223,049</u>

**NOTE 10. FINANCIAL ASSETS**

Advance to holding company (a)	-	2,335,000
	<u>-</u>	<u>2,335,000</u>

(a) The advance to holding company is unsecured and repayable on demand. The advance is subject to interest at the rate of 2.50% (2009: 4%).

**NOTE 11. INVENTORIES**

Finished goods – at cost/net realisable value (a)	829,364	572,479
Raw materials – at cost/net realisable value (a)	-	924,046
Packaging materials – at cost	147,799	188,555
Goods in transit	1,468,150	-
	<u>\$ 2,445,313</u>	<u>1,685,080</u>

(a) Inventories include \$Nil (2009: \$157,000) in respect of write-downs of inventory to net realisable value.

**NOTE 12. DEFFERED TAX ASSET**

	<u>2010</u>	<u>2009</u>
Deferred tax asset comprises the following:		
Allowance for doubtful debts	\$ 82,347	64,684
Exchange loss - unrealised	3,355	36,310
Total deferred tax asset	<u>85,702</u>	<u>100,994</u>

**NOTE 13. TRADE AND OTHER PAYABLES**

Trade payables (a)	863,303	87,778
Accrued expenses and other payables	102,826	91,164
Dividend payable	472,725	25,145
Total trade and other payables	<u>1,438,854</u>	<u>204,087</u>

- (a) Payables to related entities amounted to \$Nil (2009: \$42,968)
- (b) Trade payables principally comprise amounts outstanding for trade purchases and on-going costs. Trade payables are non-interest bearing and are normally settled on 30 - 60 days term.

**NOTE 14. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the cash flow statement comprise the following the statement of financial position amounts:

Cash at bank	4,389,948	-
Bank overdraft - ANZ Banking Group	-	(20,494)
Total cash and cash equivalents	<u>\$ 4,389,948</u>	<u>(20,494)</u>

**NOTE 15. BANK OVERDRAFT**

The bank overdraft and trade facilities from ANZ Banking Group are secured by:

- (i) First Registered Mortgage Debenture over all assets of the company including uncalled and unpaid capital.
- (ii) Registered Mortgage over certain properties owned by the holding company and certain related entities.
- (iii) Cross Guarantee between Flour Mills of Fiji Limited, The Rice Company of Fiji Limited, FMF Investment Company Limited, Pea Industries Fiji Limited, Biscuit Company of (Fiji) Limited, DHF Limited, Atlantic & Pacific Packaging Company Limited, FMF Snax Limited and FMF Confectionary Limited.

The bank overdraft is fully interchangeable between Flour Mills of Fiji Limited, The Rice Company of Fiji Limited, FMF Investment Company Limited, Pea Industries Fiji Limited, Biscuit Company of (Fiji) Limited, DHF Limited, Atlantic & Pacific Packaging Company Limited, FMF Snax Limited and FMF Confectionary Limited.

**NOTE 16. SHARE CAPITAL**

	<u>2010</u>	<u>2009</u>
Authorised capital		
6,000,000 ordinary shares of \$0.50 each	\$ 3,000,000	3,000,000
Issued and paid up capital		
6,000,000 ordinary shares of \$0.50 each	<u>3,000,000</u>	<u>3,000,000</u>

**NOTE 17. PROFIT / (LOSS) BEFORE INCOME TAX**

Profit / (loss) before income tax has been determined after charging the following expenses:

Auditors' remuneration for:		
- Audit fees	8,000	8,000
- Other services	3,500	3,700
Doubtful debts	71,047	31,231
Finance costs	15,245	27,899
Management fees	<u>82,294</u>	<u>194,259</u>

**NOTE 18. EARNINGS / (LOSS) PER SHARE**

**Basic and Diluted Earnings / (Loss) Per Share**

Net profit / (loss) for the year	<u>469,631</u>	<u>(113,182)</u>
Weighted average number of ordinary shares outstanding	<u>6,000,000</u>	<u>6,000,000</u>
Basic and diluted earnings/(loss) per shares (par value \$0.50)	<u>7.83 cents</u>	<u>(1.89) cents</u>

**NOTE 19. DIVIDENDS**

Interim dividend	<u>450,000</u>	-
Dividends per share	<u>7.50 cents</u>	-

**NOTE 20. COMMITMENTS**

**a) Capital Expenditure Commitments**

Capital expenditure commitments as at 30 June 2010 were \$Nil (2009: \$Nil).

**NOTE 21. CONTINGENT LIABILITIES**

Contingent liabilities exist with respect to letters of credit	<u>\$ 291,277</u>	-
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NOTE 22. RELATED PARTY TRANSACTIONS

(a) Holding Company and Ultimate Holding Company

The holding company is Flour Mills of Fiji Limited, a company incorporated in Fiji. The holding company is listed on the South Pacific Stock Exchange.

The ultimate holding company is Hari Punja Nominees Limited.

(b) Directors

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

Hari Punja OF, OBE, JP - Chairman  
 Sanjay Punja (retired on 20 November 2009)  
 Ajai Punja  
 Gary Callaghan

(c) Trading transactions with Related Parties

Transactions with related parties during the year ended 30 June 2010 with transaction values are summarized as follows:

Name	Relationship	Nature of Transaction	2010 (\$)	2009 (\$)
Flour Mills of Fiji Ltd	Holding company	Interest income	61,430	99,223
		Milling charges	35,806	323,766
		Advertising expense	4,297	38,852
		Management fees	60,811	-
Flour Mills of Fiji Ltd Insurance Division	Holding company	Insurance receipt for loss of inventory	-	190,000
		Insurance expense	23,114	15,630
Biscuit Company of Fiji Atlantic & Pacific	Related company	Interest income	47,912	-
	Related company	Purchase of cartons	39,219	53,406
Packaging Company Limited				
Hari Punja & Sons Ltd	Related company	Management fees	21,483	194,259

All transactions with related parties are conducted on commercial terms and conditions.

(d) Advance to related parties

During the year, on call advance was given by the company to the holding company Flour Mills of Fiji Limited of \$2,580,000 subject to interest at the rate of 2.75% for the period from July to December 2009 and at an interest of 2.50% for the period from January to June 2010.

Further, during the year, the company had given an on call advance of \$2,000,000 to a related company Biscuit Company of Fiji Limited subject to interest at the rate of 2.75% for the period from August to December 2009 and at an interest rate of 2.50% for the period from January to June 2010.

**NOTE 22. RELATED PARTY TRANSACTIONS (CONT'D)**

(a) 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 financial year, no compensation was paid to key management personnel.

Management services were provided by Hari Punja and Sons Limited and Flour Mills of Fiji Ltd (refer note 22 (c)).

(b) Amounts receivable from / (payable to) related parties

Appropriate disclosures of these amounts are contained in the respective notes to the financial statements.

**NOTE 23. EVENTS SUBSEQUENT TO BALANCE DATE**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

**NOTE 24. PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was that of importing of bulk rice as a finished good and repacking and selling in different pack sizes.

In the current year, the company had stopped the import and processing of brown rice. Processing of brown rice, which was the left over from prior year, was processed for the first four months of the financial year.

Other than the above, there were no significant changes in the nature of these activities during the financial year.

**NOTE 25. COMPANY DETAILS**

**Company Incorporation**

The company was incorporated in Fiji under the Companies Act, 1983.

**Registered Office and Principal Place of Business**

The registered office and principal place of business of the company is located at Lot 2, Leonidas Street, Walu Bay, Suva.

**NOTE 26. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the board of directors and authorised for issue on 17<sup>th</sup> September 2010.

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

A. Schedule each class of Equity security in compliance with listing requirements 3.3 ( c ) :  
Distribution of ordinary shareholders :

<b>No. of Holders</b>	<b>Holding</b>	<b>Total % Holding</b>
8	Less than 500 shares	0.04
68	501 to 5,000 shares	2.45
10	5,001 to 10,000 shares	1.42
8	10,001 to 20,000 shares	2.09
0	20,001 to 30,000 shares	0
2	30,001 to 40,000 shares	1.20
0	40,001 to 50,000 shares	0
1	50,001 to 100,000 shares	1.04
3	100,001 to 1,000,000 shares	16.76
1	Over 1,000,000 shares	75.00
<b>101</b>	<b>Total</b>	<b>100.00</b>

B. Interest of directors, 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	-	-	-	4,500,000
Ajai Punja	-	-	-	4,500,000
Gary Callaghan	-	12,500	-	4,691,800

## **The Rice Company of Fiji Limited**

Minutes of the Thirteenth Annual General Meeting, held at 3.30 p.m. on Friday , the 20<sup>th</sup> November 2009 at the Training Room of Atlantic & Pacific Packaging Company Limited, Bounty Street, Walu Bay, Suva.

.....

### **PRESENT**

1. Mr. Hari Punja .. Chairman
2. Mr. Gary Callaghan .. Director
3. Mr. Ajai Punja .. Director
4. Mr. Ram Bajekal .. CEO
5. Mr. Kumar Shankar .. Group CFO & Company Secretary
6. Mr. Nalin Patel .. Representing the Auditors, M/s G.Lal + Co.

Ten other shareholders / proxy holders were present in person.

### **APOLOGIES**

None

### **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 open.

### **CONFIRMATION OF THE MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING HELD ON 31<sup>st</sup> October 2008 .**

Proposed by : Mr. Pravin Chandra

Seconded by : Mr. Mahendra Pal Singh

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

By a show of hands, the meeting approved the motion unanimously and confirmed the minutes of the previous Annual General Meeting held on **31<sup>st</sup> October 2008**.

### **MATTERS ARISING:**

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 30<sup>TH</sup> JUNE 2009.**

Proposed by: Mr. Mahendra Pal Singh

Seconded by: Mr. Pravin Chandra

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

Thereafter 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 30<sup>th</sup> June 2009.

**Contd..**

**Minutes ... ( Contd )**

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

Proposed by: Mr. Mahendra Pal Singh

Seconded by: Ms. Ayesha Chand

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. Ajai Punja as a Director of the company

**TO APPOINT M/S G.Lal + Co., 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: Mr. Mahendra Pal Singh

Seconded by: Mr. Pravin Chandra

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

By a show of hands, the meeting approved the motion unanimously and confirmed the Appointment of M/s G.Lal + Co., Chartered Accountants, as the Statutory Auditors of the company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a fee to be negotiated by the Directors.

**General Discussion:**

The Chairman read out some sections from the Chairman's Report .

**Vote of Thanks to the Chair:**

Proposed by: Ms. Ayesha Chand

**Thereafter the Chairman declared the meeting as closed.**

**Chairman**



**THE RICE COMPANY OF FIJI LIMITED**

**PROXY FORM**

Share Folio No . . . . .

No. of shares held . . . . .

The Company Secretary ,  
The Rice Company of Fiji Limited ,  
P O Box 977 ,  
Suva , Fiji Islands .

**I/WE**.....

Of .....

Being a member / members of **THE RICE COMPANY 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 3.30 p.m. on Friday , the **22<sup>nd</sup> October 2010** and at any adjournment thereof.

As witness to my/our hands this.....day of .....2010 , at .....

Signed by the said member (s) .....

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

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

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

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

**For office use only :**

Proxy received on \_\_\_\_\_ at \_\_\_\_\_ am / pm by \_\_\_\_\_