



Pleass  
Global Limited

Beverages ♦ Packaging ♦ Tourism ♦ Horticulture

# ANNUAL REPORT 2014





# Pleass Global Limited

Beverages ♦ Packaging ♦ Tourism ♦ Horticulture



## Mission

Having people who are better than those of our competitors and continually train to stay that way.  
Always meeting & preferably exceeding customer expectations for service, delivery and correct stock.

## Vision

To be the most admired global water bottling company for it's people, products, services and sustainability.

**AquaraSafe®**  
Natural Artesian Water



**VaiWai®**





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## BOARD OF DIRECTORS

For the year ended 31 December 2014



**Mr. Warwick Pleass**  
Managing Director &  
Chairperson



**Mrs. Catherine Pleass**  
Marketing Director



**Mr. Stefan Ali**  
Independent Director



**Mr. Bruce Sutton**  
Audit Committee Chairperson  
& Independent Director



**Ms. Fomiza Bano**  
General Manager



**Mr. Ashnil Prasad**  
Non-Executive Director



Bula vinaka to the extended "family" and stakeholders of Pleass Global Limited. The company delivered another outstanding performance in 2014.

### FINANCIAL HIGHLIGHTS

Revenues grew by 19% (2013: 10%) and gross profit grew by 21% (2013: 15 %), with export growth a major contributor.

Pleass Global Limited (SPSE code PBP) realised an after tax profit of \$688,459 from operating activities and an Operating Return on Sales (OROS) of 9% (14% in 2013). These are lower than the corresponding 2013 numbers only because of the "one-off" revaluation gain in 2013. (The significant influence on the 2013 results was the revaluation of real estate; PBP's land in Kila Estates, Namosi, to fair value in October 2013. The revaluation gain of 684,891 was reflected in 2013 profits in accordance with International Financial Reporting Standards.)

Taking out this revaluation gain meant the 2013 "underlying" operating profit was \$358,327 (OROS of 5%). This then shows an outstanding performance of the company in 2014 with a 92% increase in trading profits and increased OROS of 9% over 5% in 2013. This has also reflected increased earnings per share of 11% (2013: 6%) and return on equity of 15% (2013: 9%) respectively.

Our balance sheet has continued to strengthen and our cash flows also have improved.

The board has recommended to the shareholders an increased dividend this year of 3 cents per share. This recognises the improvement in underlying profitability, our confidence in the company's position and improves dividend returns for our shareholders.

### COMPLIANCE

The board recently adopted a new Audit policy and as a result, we are changing auditors for the 2015 year for improved transparency and audit. We thank the outgoing team at Ernst and Young as they have been outstanding auditors and have helped us improve our processes and controls over their period as our auditors. Our entire team improved our compliance in 2014 right across the business.

Our strong conformance in our internal audits across finance, quality, safety and sustainability / the environment has been pleasing. This resulted in a better business and reduced our risk profile. We were also successful in achieving higher external audit ratings than ever before for our water bottling and tourism businesses. Those improvements in international audits help us grow the business and give customers peace of mind about our quality.

### SUSTAINABILITY

We firmly believe that sustainability has to remain at the heart of our business model and will help us drive growth while reducing costs.

### CORPORATE SOCIAL RESPONSIBILITY

In 2014, a number of our export customers complemented us on our corporate social responsibility initiatives. Helping the less privileged has always been a part of our corporate DNA, and we aspire to increase our efforts and engage our people even more.

### OPERATIONS

The company's long term strategy of investing in our future through capital expenditure plus research and development continued in 2014. I believe our shareholders seek not only dividends but long term growth and capital gain. Pleass is strongly placed to grow value for shareholders through this strategy.

Our VaiWai® Natural Artesian Water is an example of our new product development. Our sales and marketing teams continue to win market share for VaiWai® which we believe to be the world's most attractive and sustainable bottled water.

### KILA WORLD DEVELOPMENT

We were pleased to welcome our highest ever number of tourists to Kila in 2014.

Our tourism team added an additional rainforest trail and improved existing trails. The gardens are maturing and expanding, and works on the rugby field have begun. Our annual professional development of Kila instructors by international trainers plus the external engineering audits were conducted with great success.

**"I believe our shareholders seek not only dividends but also long-term growth and capital gain."**

## GOVERNANCE

We are proud of our diverse Board of Directors and in 2014 we welcomed a new Board member in Ashnil Prasad, nominated by the Fiji National Provident Fund (FNPF). The Board is now more diverse in gender, and skill base and the members continue to give their time generously to the company. I extend my thanks to Board members for their dedication, counsel and support.

PGL's Board and management continues its strong focus on, and commitment to, transparency and corporate governance. Fairness, non-discrimination and integrity are not just words to us. They are foremost in our actions along with zero tolerance to theft, fraud and corruption.

We promote to staff the value of being transparent in all dealings and transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, with accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner. Fundamentally, there is a level of confidence that is associated with a company that is known to have good corporate governance. The presence of active independent directors on the board, with the help of an extremely competent management team, contributes a great deal towards ensuring confidence in the market.

We welcomed a new significant shareholder in 2014; Fijian Holdings Unit Trust. To them, welcome to our team at Pleass and thanks for the confidence in us you display in joining our shareholders.

## NEW FACTORY, HEAD OFFICE AND DISTRIBUTION CENTRE

The factory structure has risen from the earth and is an imposing presence in the rainforests of Namosi, only 30 minutes from Suva. Handover has been delayed given weather in the period but we expect completion in the second half of 2015. This investment in building and plant is the single biggest investment ever for the company and is being planned and managed in great detail. Relocation and the new facilities will allow us to increase production, develop new products for new markets and enhance the work environment for our people.

## OUTLOOK FOR 2015 AND BEYOND

This year will be a milestone year for Pleass Global Ltd. The

company did well in 2014 and I am certain 2015 will be even better. Early results for this year are promising as we manage the lead up to our relocation.

That will be later this year and will bring the much needed additional capacity that constrains us in our present facilities.

We have also embarked on a program of professional development for our Board via company directors courses. This has given me more knowledge and skills in my role as Chairman and Director and will bring pleasant returns for the company. It has already resulted in some positive changes.

In addition, we are soon to announce new CSR initiatives and donations for the second half of the year (H2) 2015 and extending though 2016 and into 2017. We also launched two exciting new water products in the second quarter (Q2) 2015. The order book for those new products is pleasing and these will assist us to finish off 2015 well. The company celebrates our 19th birthday in June 2015 so we look forward to the AGM at the new factory in June 2016 when we turn 20.

The Board and I thank all our stakeholders for their support of the Board and the company. I frequently get the opportunity to personally thank staff and even some shareholders I meet in the course of the year but I take this opportunity to thank them again. And thank you in particular to all our stakeholders I have not met in person. So much of our success derives from our customers and we are grateful to them. Thank you very much for your support and trust in us. We look forward to serving you in 2015 and beyond, and building stronger relationships.



Warwick Pleass

**“We welcomed a new significant shareholder in 2014; Fijian Holdings Unit Trust.”**



At Pleass Global Limited (PGL), the Board of Directors is committed to achieving the highest standards of corporate governance and business conduct.

## ROLE OF THE BOARD

The role of the Board is to delegate management responsibilities, promote ethical and responsible decision making, and to enhance company value for shareholders in accordance with good corporate governance principles.

## THE BOARD

The Board is comprised of 6 directors including two independent directors and two executive directors at the end of the financial year 2014. All appointments and election of directors are confirmed at the Annual General Meeting. All new directors participate in a formal induction process co-ordinated by the Chairman. This induction process includes briefings on the company's financials, risk management position, the company's governance framework, culture and values and key developments in the company and the industry and environment in which it operates. The Board has set up an Audit Committee.

## BOARD MEETINGS

All directors participate in discussing strategy, performance and financial / risk management of the company. The Board is structured to facilitate open discussion in Board meetings. In addition to formal Board meetings, the directors regularly meet informally to review company direction, strategy and recent developments, risks and opportunities. The participation in Board and committee meetings during the year was as follows:

| Board                |                                    |                          |
|----------------------|------------------------------------|--------------------------|
| Directors            | No. of Meetings entitled to attend | No. of meetings attended |
| Ashnil Prasad        | 2                                  | 2                        |
| Bruce Sutton         | 4                                  | 4                        |
| Catherine Pleass     | 4                                  | 3                        |
| Fomiza Bano          | 4                                  | 4                        |
| Griffon Emose        | 2                                  | 2                        |
| Stefan Ali           | 4                                  | 4                        |
| Warwick Glenn Pleass | 4                                  | 4                        |

| Audit Committee      |                                    |                          |
|----------------------|------------------------------------|--------------------------|
| Directors            | No. of Meetings entitled to attend | No. of meetings attended |
| Bruce Sutton         | 2                                  | 2                        |
| Stefan Ali           | 2                                  | 2                        |
| Warwick Glenn Pleass | 2                                  | 2                        |

## RESPONSIBILITIES OF THE BOARD

The Board is responsible for overseeing the company management, including its control and accountability systems. PGL Memorandum & Articles of Association state the powers and responsibilities of directors are to manage the company effectively and efficiently. The Board reviews year to date financial statements and year end forecasts, budgets for the financial performance of the company and monitors results, new business developments and the company plans.

The Management Accountant is responsible for preparing monthly analysis, working closely with the respective managers to ensure improvements are maintained to minimize costs and maximize output. The Board is informed on these matters regularly and urgent matters are discussed and decided via flying minutes.

## CONSTITUTING AN EFFECTIVE BOARD

The Board considers that it has an appropriate mix of skills, experience and expertise, to enable it to effectively discharge its responsibilities and to be well equipped to help the company navigate the range of challenges that it faces.

## THE BOARD COMMITTEE

### Audit Committee

Role and responsibilities of the Audit Committee are:

- overseeing the relationship with the external auditor including reviewing and agreeing on the terms of engagement and fees for the external auditor;
- assisting the Board in discharging its responsibilities by monitoring and advising on matters relating to financial reporting, risk management, internal control, internal and external audit, corporate governance, compliance and matters that may significantly impact the financial condition or affairs of the business;
- reviewing the external auditor's proposed annual audit scope and audit approach, including materiality levels;
- reviewing and monitoring of financial reporting, audit and risk management strategies, systems, policies and processes implemented, and reported on, by management.

## APPOINTMENT OF A CHIEF EXECUTIVE OFFICER (MANAGING DIRECTOR)

Majority of shares are held by the Managing Director. The General Manager manages the day-to-day operations with the assistance of all departmental managers. The Managing Director also chairs the Board of Directors.

## BOARD AND COMPANY SECRETARY

The Finance Manager is also managing the secretarial responsibilities with the assistance of the General Manager ensuring corporate regulatory and CMU compliance.

## TIMELY AND BALANCED DISCLOSURE

The Board of directors receives monthly reports to review and decide on major issues of the company. The company periodically releases the required information to the public by way of market announcements, as per requirement under the rules of SPSE.

## PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

PGL guides its directors and other officers through its policies and code of conduct in making ethical and responsible decisions

## REGISTER OF INTERESTS

Directors and officers of the company are obliged to disclose any conflicts of interest that may arise in the course of the business. Directors are required to take all reasonable steps to avoid any potential or perceived conflicts of interest.

## COMMUNICATION WITH SHAREHOLDERS

An Annual General Meeting (AGM) is held every year in accordance with the Articles of Association of the company. The company's Annual Report is forwarded to shareholders so as to allow adequate time to review the performance of the company. The AGM gives shareholders opportunity to seek clarification on any aspects of the company's performance for the year, and forecasts for the future. Additionally shareholders are often in communication with the Managing Director and junior officers on various aspects of the business, and this interaction is encouraged.

## ACCOUNTABILITY AND AUDIT

PGL is audited annually by an independent auditor who provides audited financial reports to the company who in turn provides this to all shareholders. External auditors are appointed every year by the shareholders in the Annual General Meeting.

## RECOGNISE AND MANAGE RISK

PGL has established very sound risk management procedures and practices across all departments to identify and manage operational risks with appropriate controls and procedures in place to mitigate and manage those risks.

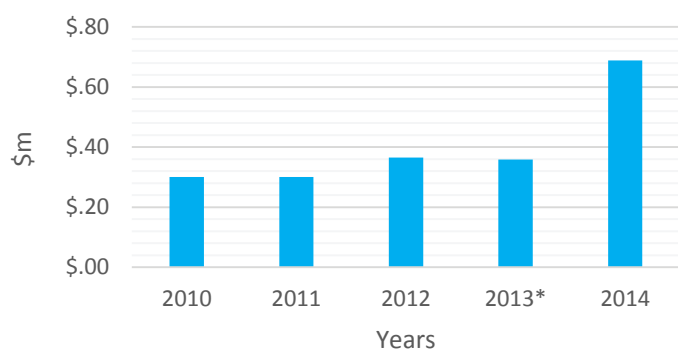




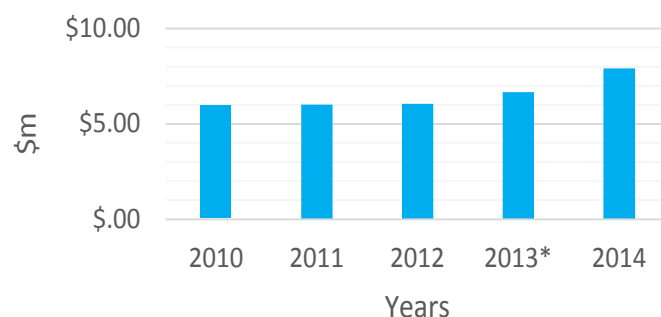
# FINANCIAL HIGHLIGHTS

For the year ended 31 December 2014

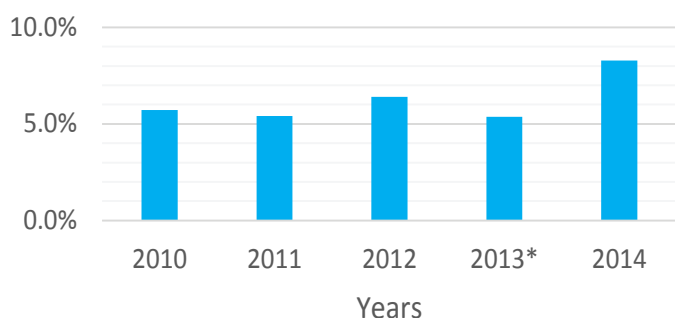
## Operating Profit



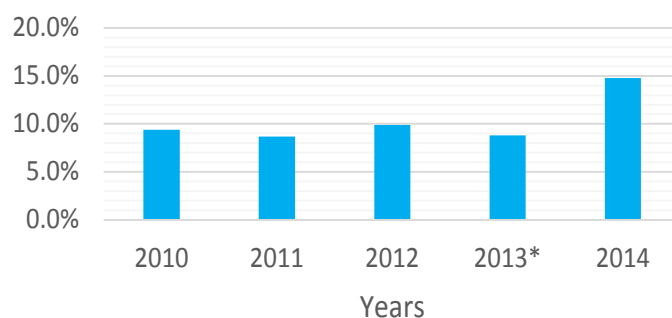
## Operating Revenue



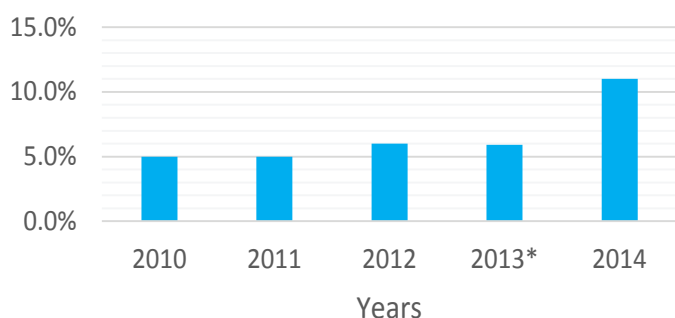
## Return on Assets



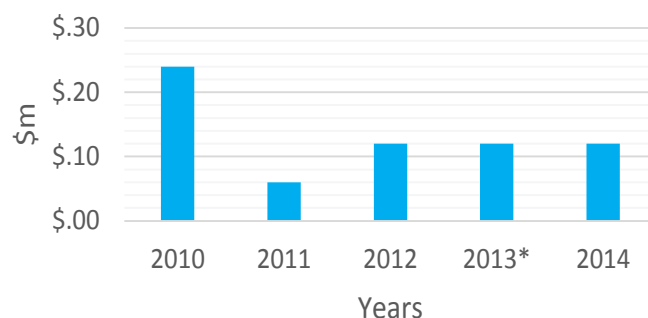
## Return on Equity



## Earnings per Share



## Dividends Declared/Paid



\* 2013 values do not include revaluation gain.

In accordance with a resolution of the Board of Directors, the directors herewith submit the statement of financial position for Pleass Global Limited ("the Company") as at 31 December 2014, the related statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date and report as follows:

## Directors

The directors of the Company at any time during the financial year and up to the date of this report are:

- Warwick Pleass
- Catherine Pleass
- Ashnil Prasad
- Stefan Ali
- Bruce Sutton
- Fomiza Feroza Bano
- Griffon Emose

## Principal activities

The principal business activities of the Company are manufacture and sale of non – alcoholic beverages, importation and wholesaling packaging materials and the operations of Kila Eco Adventure Park. There have been no significant changes in these activities during the year.

## Results

The operating profit for the year was \$688,459 (2013: \$916,514) after providing for income tax expense of \$84,573 (2013: \$228,256).

## Dividends

The dividends declared and/or paid during the year was \$120,000 (2013: \$120,000).

## Reserves

The directors recommend that no transfer be made to reserves within the meaning of the Seventh Schedule of the Fiji 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 had been taken in relation to writing off bad debts and the provision for doubtful debts. In the opinion of the directors, adequate provision 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 provision 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 be realised in the ordinary course of business as compared to their values as shown in the accounting records of the Company. Where necessary, these assets have been written down or adequate provision 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 year were not substantially affected by any item, transaction or event of a material and 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, other than those reflected in the financial statements.



**Events subsequent to balance date**

During the year, the Company continued construction of a water bottling plant at Nabukavesi estate at a value of approximately \$7m at completion. The project is now expected to be completed by the end of third quarter 2015. Apart from this, no other matters or circumstances have arisen since the end of the financial year and the date of this report for any item, transaction or event 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 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 have become or are 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 included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or received as the fixed salary of a full-time employee of the Company or of a related corporation) by reason of contract made by the Company or by a related corporation 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.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

Dated this 30 day of March 2015.



Director



Director

**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 31 December 2014;
- (ii) 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 31 December 2014;
- (iii) 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 31 December 2014;
- (iv) the accompanying statement of cash flows 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 31 December 2014;
- (v) at the date of these statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due; and
- (vi) all related party transactions have been adequately recorded in the books of the Company.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

Dated this 30 day of March 2015.



**Director**



**Director**



## To the members of Pleass Global Limited

We have audited the accompanying Financial Statements of Pleass Global Limited ("the Company"), which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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

The 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 Fiji Companies Act, 1983. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

## Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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.

## 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; and
  - 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 31 December 2014 and of the results, changes in equity and cash flows of the Company for the year ended on that date; and
    - 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.



**Ernst & Young | Chartered Accountants**  
30th March 2015 | Suva | Fiji

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

|  | Notes | 2014<br>\$            | 2013<br>\$              |
|--|-------|-----------------------|-------------------------|
| Operating revenue  | 2     | 7,917,411             | 6,656,250               |
| Cost of sales  |       | <u>(3,273,257)</u>    | <u>(2,804,845)</u>      |
| Gross profit   |       | 4,644,154             | 3,851,405               |
| Other revenue  | 3.1   | <u>60,162</u>         | <u>746,099</u>          |
|  |       | <b>4,704,316</b>      | <b>4,597,504</b>        |
| Depreciation and amortisation expense                      |       | (426,773)             | (406,593)               |
| Employee benefits expense                                  | 3.3   | (1,439,163)           | (1,210,445)             |
| Other operating expenses                                   | 3.2   | <u>(2,038,939)</u>    | <u>(1,788,142)</u>      |
| <b>Profit from operating activities</b>                    |       | <b>799,441</b>        | <b>1,192,324</b>        |
| Finance costs  | 3.4   | <u>(26,409)</u>       | <u>(47,554)</u>         |
| <b>Profit before tax</b>                                   |       | 773,032               | 1,144,770               |
| Income tax expense   | 4     | (84,573)              | (228,256)               |
| <b>Net profit for the year</b>                             |       | <u><b>688,459</b></u> | <u><b>916,514</b></u>   |
| <b>Other comprehensive income</b>                          |       |                       |                         |
| Exchange difference on translation of foreign operations   |       | 13,908                | 5,755                   |
| Income tax effect  |       | <u>-</u>              | <u>-</u>                |
|  |       | 13,908                | 5,755                   |
| Revaluation of land  |       | -                     | 148,974                 |
| Income tax effect  | 4     | <u>-</u>              | <u>(14,897)</u>         |
|  |       | -                     | 134,077                 |
| <b>Other comprehensive income for the year, net of tax</b> |       | <b>13,908</b>         | <b>139,832</b>          |
| <b>Total comprehensive income for the year, net of tax</b> |       | <u><b>702,367</b></u> | <u><b>1,056,346</b></u> |
| <b>Earnings per share</b>                                  |       |                       |                         |
| Basic earnings per share                                   | 5     | <u>\$0.11</u>         | <u>\$0.15</u>           |

*The accompanying notes form an integral part of this Statement of Comprehensive Income.*



# STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2014

|                                      | Notes | 2014<br>\$              | 2013<br>\$              |
|--------------------------------------|-------|-------------------------|-------------------------|
| <b>Assets</b>                        |       |                         |                         |
| <b>Current assets</b>                |       |                         |                         |
| Cash and cash equivalents            | 16    | 274,671                 | 100,860                 |
| Trade receivables                    | 7     | 1,225,058               | 1,212,304               |
| Inventories                          | 9     | 1,912,099               | 1,683,261               |
| Other receivables                    | 8     | 569,123                 | 218,680                 |
| Tax refund                           |       | -                       | 940                     |
|                                      |       | <u>3,980,951</u>        | <u>3,216,045</u>        |
| <b>Non-current assets</b>            |       |                         |                         |
| Deferred tax assets                  | 4     | 54,258                  | 48,051                  |
| Intangible assets                    | 12    | 98,094                  | 97,911                  |
| Property, plant and equipment        | 10    | 3,211,179               | 1,993,897               |
| Investment property                  | 11    | <u>2,015,557</u>        | <u>1,900,000</u>        |
|                                      |       | <u>5,379,088</u>        | <u>4,039,859</u>        |
| <b>Total assets</b>                  |       | <u>9,360,039</u>        | <u>7,255,904</u>        |
| <b>Current liabilities</b>           |       |                         |                         |
| Interest bearing borrowings          | 14    | 496,172                 | 484,745                 |
| Employee entitlements                | 15    | 137,118                 | 61,706                  |
| Current tax payable                  |       | 27,578                  | -                       |
| Loan from related party              | 18(c) | 200,000                 | 200,000                 |
| Trade and other payables             | 13    | <u>1,200,200</u>        | <u>1,137,313</u>        |
|                                      |       | <u>2,061,068</u>        | <u>1,883,764</u>        |
| <b>Non-current liabilities</b>       |       |                         |                         |
| Interest bearing borrowings          | 14    | 1,774,824               | 426,321                 |
| Deferred tax liability               | 4     | 83,386                  | 83,386                  |
| Loan from related party              | 18(c) | <u>229,580</u>          | <u>233,619</u>          |
|                                      |       | <u>2,087,790</u>        | <u>743,326</u>          |
| <b>Total liabilities</b>             |       | <u>4,148,858</u>        | <u>2,627,090</u>        |
| <b>Net assets</b>                    |       | <u><u>5,211,181</u></u> | <u><u>4,628,814</u></u> |
| <b>Shareholders' equity</b>          |       |                         |                         |
| Issued capital                       | 17    | 1,200,000               | 1,200,000               |
| Share premium reserve                | 17    | 700,000                 | 700,000                 |
| Asset revaluation reserve            | 17    | 134,077                 | 134,077                 |
| Foreign currency translation reserve |       | 19,663                  | 5,755                   |
| Retained earnings                    |       | <u>3,157,441</u>        | <u>2,588,982</u>        |
|                                      |       | <u><u>5,211,181</u></u> | <u><u>4,628,814</u></u> |

Signed on behalf of Board of Directors



Director



Director

The accompanying notes form an integral part of this Statement of financial Position.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

|   | Notes | 2014<br>\$         | 2013<br>\$       |
|---|-------|--------------------|------------------|
| <b>Operating activities</b>                                 |       |                    |                  |
| Receipts from customers                                     |       | 7,944,819          | 6,666,659        |
| Payments to suppliers and employees                         |       | (7,178,433)        | (5,721,968)      |
| Interest paid   |       | (26,409)           | (25,072)         |
| Income taxes paid   |       | (62,262)           | (156,930)        |
| <b>Cash flows from Operating Activities</b>                 | 19    | <b>677,715</b>     | <b>762,689</b>   |
| <b>Investing activities</b>                                 |       |                    |                  |
| Payments for property, plant and equipment                  |       | (1,744,624)        | (801,590)        |
| Payments for intangible assets                              |       | (15,171)           | (31,796)         |
| Proceeds from the disposal of property, plant and equipment |       | 20,000             | 38,790           |
| <b>Cash flows (used in) Investing Activities</b>            |       | <b>(1,739,795)</b> | <b>(794,596)</b> |
| <b>Financing activities</b>                                 |       |                    |                  |
| Repayment to shareholder                                    |       | (74,238)           | (69,746)         |
| Proceeds from term loan                                     |       | 1,360,798          | 414,026          |
| Repayment of lease liability principal                      |       | (39,733)           | (35,373)         |
| Dividends paid  |       | (49,801)           | (50,000)         |
| <b>Cash flows (used in)/from Financing Activities</b>       |       | <b>1,197,026</b>   | <b>258,907</b>   |
| Net increase in cash and cash equivalents                   |       | 134,946            | 227,000          |
| Bank overdraft at beginning of the year                     |       | (356,447)          | (583,447)        |
| <b>Net bank overdraft at the end of the year</b>            | 16    | <b>(221,501)</b>   | <b>(356,447)</b> |

*The accompanying notes form an integral part of this Statement of Cash Flows.*

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

|                                | Note | Foreign<br>currency<br>translation<br>reserve<br>\$ | Share<br>Premium<br>Reserve<br>\$ | Issued<br>Capital<br>\$ | Asset<br>Revaluation<br>Reserve<br>\$ | Retained<br>Earnings<br>\$ | Total<br>\$      |
|--------------------------------|------|---|-----------------------------------|-------------------------|---------------------------------------|----------------------------|------------------|
| As at 1 January 2014           |      | 5,755   | 700,000                           | 1,200,000               | 134,077                               | 2,588,982                  | 4,628,814        |
| Profit for the year            |      | -   | -                                 | -                       | -                                     | 688,459                    | 688,459          |
| Other comprehensive income     |      | 13,908  | -                                 | -                       | -                                     |                            | 13,908           |
| Revaluation increment          |      | -   | -                                 | -                       | -                                     | -                          | -                |
| Dividends declared and/or paid | 6    | -   | -                                 | -                       | -                                     | (120,000)                  | (120,000)        |
| At 31 December 2014            |      | <u>19,663</u>                                       | <u>700,000</u>                    | <u>1,200,000</u>        | <u>134,077</u>                        | <u>3,157,441</u>           | <u>5,211,181</u> |
| As at 1 January 2013           |      | -   | 700,000                           | 1,200,000               | -                                     | 1,792,468                  | 3,692,468        |
| Profit for the year            |      | -   | -                                 | -                       | -                                     | 916,514                    | 916,514          |
| Other comprehensive income     |      | 5,755   | -                                 | -                       | -                                     | -                          | 5,755            |
| Revaluation increment          |      | -   | -                                 | -                       | 134,077                               | -                          | 134,077          |
| Dividends declared and/or paid | 6    | -   | -                                 | -                       | -                                     | (120,000)                  | (120,000)        |
| At 31 December 2013            |      | <u>5,755</u>  | <u>700,000</u>                    | <u>1,200,000</u>        | <u>134,077</u>                        | <u>2,588,982</u>           | <u>4,628,814</u> |

*The accompanying notes form an integral part of this Statement of Changes in Equity*



# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2014

### 1 Corporate Information

The financial statements of Pleass Global Limited ("the Company") for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 30 March 2015. Pleass Global Limited is a limited liability company incorporated and domiciled in the Republic of Fiji. The Company is based in Fiji and has a branch trading in Australia.

The principal activities of the Company are described in Note 25.

### 1.2 Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the historical cost accounting and do not take into account changing money values or current valuations of non-current assets unless otherwise stated. The financial statements are prepared in Fijian dollars and all values are rounded to the nearest dollar except when otherwise indicated.

### Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

### 1.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

### *Operating lease commitments*

The Company has entered into commercial property leases. The Company has determined based on an evaluation of the terms and conditions of the arrangements, that it does not retain all the significant risks and rewards of ownership of the property and accounts for the contracts as operating leases.

### Estimations and assumptions

Key assumptions concerning the future and other key sources of estimation uncertain at balance date, that have a significant risk of causing a material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below:

### *Impairment of non-financial assets*

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

### *Revaluation of property, plant and equipment and investment properties*

The Company carries its investment properties at fair value, with changes in fair value being recognised in statement of comprehensive income. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in Other Comprehensive Income. The Company engaged an independent valuation specialist to assess fair value for investment properties and land at October 2013. Investment properties and land were valued using the Summation Cost Approach whereby depreciated replacement cost of the improvement is added to the adopted freehold interest in the land from the residual value.

### Changes in accounting policy and disclosures

The following standards, amendments and interpretations to existing standards were published and are mandatory for the accounting periods beginning on or after 1 January 2014 or later periods. No significant impact arose out of these standards, amendments and interpretations. The amendments to existing standards were for the following:

## 1.3 Significant accounting judgments, estimates and assumptions *continued*

Changes in accounting policy and disclosures *continued*

| Reference | Title                                 | Application date of standard | Impact on Company's financial report             |
|-----------|---------------------------------------|------------------------------|--|
| IFRS 9    | Financial Instruments                 | 1 January 2018               | The impact of the standard is yet to be assessed |
| IFRS 15   | Revenue from Contracts with Customers | 1 January 2017               | The impact of the standard is yet to be assessed |
| IAS 16    | Property, Plant and Equipment         | 1 July 2014                  | No impact  |
| IAS 24    | Related Party Disclosures             | 1 July 2014                  | No impact  |
| IAS 40    | Investment Property                   | 1 January 2014               | No impact  |
| IAS 38    | Intangible Assets                     | 1 July 2014                  | No impact  |

## 1.4 Summary of significant accounting policies

### a) Foreign currencies

The financial statements are presented in Fijian dollars, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at balance date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction.

### b) Property, plant and equipment

Property, plant and equipment is stated at cost or fair value less accumulated depreciation and accumulated impairment losses. Such costs includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

|                     |             |
|---------------------|-------------|
| Land and buildings  | 1.25% - 12% |
| Plant and equipment | 7% - 24 %   |
| Motor vehicles      | 18%         |

Office equipment, furniture and fittings

12% - 24%

Water coolers

24%

Kila World equipment

6.67% - 24%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss as the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Land is measured at fair value less impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

## 1.4 Summary of significant accounting policies *continued*

### c) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate value model is used.

For impaired assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in profit or loss.

### d) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of finished goods is determined by the weighted average method and includes an appropriate proportion of fixed and variable production costs. Raw materials comprise of invoice value plus customs duty and other relevant costs to bring inventory to store. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits with an original maturity of three months or less. For the purposes of the statement of

cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above net of any bank overdraft.

### f) Employee entitlements

Employee entitlements include amounts for wages and salaries, incentive payments and annual leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

### g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

### h) Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

#### *Company as a lessee*

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in statement of comprehensive income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the profit or loss on a straight line basis over the lease term.



## 1.4 Summary of significant accounting policies *continued*

### h) Leased assets *continued*

#### *Company as a lessor*

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### i) Taxes

#### *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at balance date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in statement of comprehensive income.

#### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of

an asset or liability in a transaction that it is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. Deferred tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes related to the same taxable entity and the same taxation authority.

#### *Value Added Tax ("VAT")*

Revenue, expenses and assets are recognised net of the amount of VAT except:

- where the Value Added Tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax recognised as part of the acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of sales tax included.

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

## 1.4 Summary of significant accounting policies *continued*

### j) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity.

### k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### Sale of goods

Sales revenue represents revenue earned from the sale of the Company's products and rental of coolers. These are stated net of returns, trade allowances and VAT.

### l) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

### m) Earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

### n) Segment information

The Company operates predominately in trading non-alcoholic beverages, wholesaling packaging materials and Kila Eco Adventure Park.

#### i) Industry segment

The Company's major business segments are wholesaling packaging materials, trading non-alcoholic beverages and Kila Eco Adventure park.

#### ii) Geographical segment

The Company operates in Fiji while one of its branch operates in Australia trading as VaiWai Australia.

### o) Dividends

Dividends are recorded in the Company's financial statements in the year in which they are declared or approved by

shareholders.

### p) Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The intangibles have finite lives and are amortised over the useful economic life and assessed for impairment whenever there is an indication. The amortisation period and the amortisation method for an intangible with finite useful life is reviewed at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in its respective expense category.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

#### Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability to use or sell the asset
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

### q) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise, including the corresponding tax effect.

## 1.4 Summary of significant accounting policies *continued*

### r) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

This category generally applies to interest-bearing loans and borrowings. For more information refer Note 14.

### s) Financial risk management objectives and policies

Principal financial liabilities comprise of bank overdraft, finance lease and trade payables. The main purpose of these financial liabilities is to raise finance and facilitate the Company's operations. The Company has various financial assets such as trade receivables and cash which arise directly from its operations.

The main risk arising from the Company's financial statements are foreign currency risk, interest rate risk, credit risk, and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks.

#### Credit risk

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification proce-

dures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Company.

#### Liquidity risk

The Company monitors its risk to a shortage of funds maintaining adequate banking facilities and borrowing facilities by continuously monitoring forecast and actual cash flows.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. Such exposures arises from purchases by the Company in currency other than Fijian dollars.

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's bank overdraft and finance lease facility. The level of debt is disclosed in Note 14.

## 2. SEGMENT INFORMATION

The Company's major business segments are wholesaling packaging materials, trading non-alcoholic beverages and Kila Eco Adventure park. While the business segments are distinct, the business is not organised or managed separately according to the nature of the products and services provided.

The following presents revenue and profit information for each business segment.

|   |  | 2014             | 2013             |
|---|--|------------------|------------------|
|   |  | \$               | \$               |
| <b>Revenue</b>                          |  |                  |                  |
| Packaging                               |  | 3,675,308        | 3,347,141        |
| Water                                   |  | 4,167,641        | 3,223,733        |
| Kila World                              |  | 52,968           | 57,502           |
| Other sales                             |  | 21,494           | 27,874           |
| <b>Total operating revenue</b>          |  | <b>7,917,411</b> | <b>6,656,250</b> |
| <b>Result</b>                           |  | <b>\$</b>        | <b>\$</b>        |
| Segment results                         |  |                  |                  |
| - Packaging                             |  | 760,413          | 809,263          |
| - Water                                 |  | 1,457,176        | 885,575          |
| - Kila World                            |  | (71,779)         | (118,329)        |
| - Other                                 |  | 1,305            | 1,968            |
| Unallocated income                      |  | 38,759           | 718,665          |
| Unallocated expenses                    |  | (1,386,433)      | (1,104,818)      |
| <b>Profit from operating activities</b> |  | <b>799,441</b>   | <b>1,192,324</b> |
| Finance costs                           |  | (26,409)         | (47,554)         |
| Income tax expense                      |  | (84,573)         | (228,256)        |
| <b>Net profit after tax</b>             |  | <b>688,459</b>   | <b>916,514</b>   |



## 2. SEGMENT INFORMATION *continued*

|                             | 2014             | 2013             |
|-----------------------------|------------------|------------------|
| <u>Segment fixed assets</u> | \$               | \$               |
| Water segment fixed assets  | 115,668          | 144,070          |
| Kila World                  | 251,753          | 253,114          |
| Unallocated fixed assets    | 2,843,758        | 1,596,713        |
| <b>Total fixed assets</b>   | <b>3,211,179</b> | <b>1,993,897</b> |

## 3. REVENUES AND EXPENSES

Other revenue, other operating expenses and finance costs include the following for the year ended 31 December:

|   |               |                |
|---|---------------|----------------|
| <u>3.1 Other revenue</u>                          | \$            | \$             |
| Realised exchange gain                            | 38,759        | 23,535         |
| Gain on disposal of property, plant and equipment | 20,000        | 33,100         |
|   | -             | 684,891        |
| Change in fair value of investment properties     | 1,403         | 4,573          |
| Miscellaneous income                              | <b>60,162</b> | <b>746,099</b> |

### 3.2 Included in other operating expenses are:

|   |                  |                  |
|---|------------------|------------------|
| Auditor's remuneration - audit services | 8,000            | 7,500            |
| - other services                        | 1,250            | 1,250            |
| Director's emoluments                   | 326,597          | 232,528          |
| Directors' fees                         | 10,500           | 11,500           |
| Listing expenses                        | 5,644            | 5,598            |
| Operating lease rentals                 | 271,933          | 254,166          |
| Doubtful debts expense                  | 913              | 6,524            |
| Inventory obsolescence                  | 5,998            | (6,387)          |
| Employee entitlements                   | 75,412           | (1,130)          |
| Repairs and maintenance                 | 107,714          | 103,589          |
| Subscriptions                           | 16,468           | 14,870           |
| Other operating expenses                | 1,208,510        | 1,158,134        |
|   | <b>2,038,939</b> | <b>1,788,142</b> |

### 3.3 Employee benefits expense

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Wages and salaries                   | 1,139,066        | 953,379          |
| Contribution to superannuation funds | 229,705          | 197,080          |
| FNU levy and staff training          | 33,541           | 18,449           |
| Staff allowances and other benefits  | 36,851           | 41,537           |
|                                      | <b>1,439,163</b> | <b>1,210,445</b> |

### 3.4 Finance costs

|                  |               |               |
|------------------|---------------|---------------|
| Interest charges | <b>26,409</b> | <b>47,554</b> |
|------------------|---------------|---------------|

## 4. INCOME TAX EXPENSE

The amount of income tax attributable to the financial year differed from the prima facie amount payable on the operating profit. The difference is reconciled as follows:

|  | 2014          | 2013           |
|--|---------------|----------------|
|  | \$            | \$             |
| Operating profit before income tax   | 773,032       | 1,144,770      |
| Prima facie income tax expense calculated at 10% (2013: 18.5%) on the operating profit | 77,303        | 211,782        |
| Tax effect of non-deductible items   | 11,095        | 27,463         |
| Under provision in prior year  | (3,825)       | (1,461)        |
| Penalties  | -             | 636            |
| Effect of change in tax rate   | -             | (10,164)       |
| Income tax attributable to operating profit  | <b>84,573</b> | <b>228,256</b> |
| Reconciled as:   |               |                |
| Current income tax charge  | 95,405        | 127,219        |
| Origination and reversal of temporary differences                                      | (7,007)       | 111,201        |
| Adjustments in respect of previous year  | (3,825)       | -              |
| Effect of change in tax rate   | -             | (10,164)       |
|  | <b>84,573</b> | <b>228,256</b> |
| Statement of Comprehensive Income  |               |                |
| Revaluation of land before tax   | -             | 148,974        |
| Prima facie tax effect calculated at 10%   | -             | 27,560         |
| Effect of change in tax rate   | -             | (12,663)       |
| Income tax charged directly to other comprehensive income                              | -             | 14,897         |

### Deferred tax

Deferred tax (liability)/asset at 31 December relates to the following:

|  |                 |                 |
|--|-----------------|-----------------|
| Revaluation of land at fair value                | (14,897)        | (14,897)        |
| Revaluation of investment property at fair value | (68,489)        | (68,489)        |
| Provision for doubtful debts                     | 3,591           | 3,500           |
| Provision for inventory obsolescence             | 4,982           | 4,382           |
| Provision for employee entitlements              | 13,712          | 6,171           |
| Accelerated depreciation for book purposes       | 31,973          | 33,998          |
|  | <b>(29,128)</b> | <b>(35,335)</b> |
| Reconciled as:                                   |                 |                 |
| Deferred income tax asset                        | 54,258          | 48,051          |
| Deferred income tax liability                    | (83,386)        | (83,386)        |
|  | <b>(29,128)</b> | <b>(35,335)</b> |

## 5. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

|  | \$        | \$        |
|--|-----------|-----------|
| Net profit after tax                                   | 688,459   | 916,514   |
| Weighted average number of ordinary shares outstanding | 6,000,000 | 6,000,000 |
| Basic earnings per share                               | 0.11      | 0.15      |

## 6. DIVIDENDS PAID OR PROPOSED

|   | \$      | \$      |
|---|---------|---------|
| Dividends on ordinary shares declared and/or paid in the year | 120,000 | 120,000 |

**7. TRADE RECEIVABLES**

|                                    | 2014<br>\$       | 2013<br>\$       |
|------------------------------------|------------------|------------------|
| Trade receivables                  | 1,260,971        | 1,247,304        |
| Less: Provision for doubtful debts | <u>(35,913)</u>  | <u>(35,000)</u>  |
|                                    | <u>1,225,058</u> | <u>1,212,304</u> |

Trade and other receivables are non-interest bearing and are generally 30 - 90 day terms. As at 31 December 2014, trade receivables at nominal value of \$35,913 (2013: \$35,000) were impaired and fully provided for.

Movement in the provision for impairment of receivables were as follows:

|                     | \$            | \$            |
|---------------------|---------------|---------------|
| As at 1 January     |               |               |
| Charge for the year | 35,000        | 28,476        |
| As at 31 December   | <u>913</u>    | <u>6,524</u>  |
|                     | <u>35,913</u> | <u>35,000</u> |

At 31 December, the ageing analysis of trade receivables is as follows:

| Year | Total     | Past due but not impaired |            |            |          |
|------|-----------|---------------------------|------------|------------|----------|
|      |           | <30 Days                  | 30-60 Days | 60-90 Days | 90+ Days |
| 2014 | 1,225,058 | 739,770                   | 311,418    | 83,072     | 90,798   |
| 2013 | 1,212,304 | 660,442                   | 335,533    | 117,190    | 99,139   |

**8. OTHER RECEIVABLES**

|                                    | \$             | \$             |
|------------------------------------|----------------|----------------|
| Trade receivables                  | 42,290         | 46,654         |
| Less: Provision for doubtful debts | <u>526,833</u> | <u>172,026</u> |
|                                    | <u>569,123</u> | <u>218,680</u> |

**9. INVENTORIES**

|   | \$               | \$               |
|---|------------------|------------------|
| Finished goods and raw materials                                    | 1,634,189        | 1,375,125        |
| Goods in transit  | <u>327,730</u>   | <u>351,958</u>   |
|   | 1,961,919        | 1,727,083        |
| Less: Provision for inventory obsolescence                          | <u>(49,820)</u>  | <u>(43,822)</u>  |
| Total inventories at the lower of the cost and net realisable value | <u>1,912,099</u> | <u>1,683,261</u> |

During the year, the amount reversed in the statement of comprehensive income for inventories is \$5,998 (2013: write down of \$6,387).

**10. PROPERTY, PLANT AND EQUIPMENT**

|                                  | \$             | \$             |
|----------------------------------|----------------|----------------|
| <u>Land and buildings</u>        |                |                |
| Cost:                            |                |                |
| At 1 January                     | 417,803        | 266,970        |
| Additions                        | 7,676          | 1,859          |
| Revaluation                      | <u>-</u>       | <u>148,974</u> |
| At 31 December                   | 425,479        | 417,803        |
| Depreciation and impairment      |                |                |
| At 1 January                     | 7,560          | 5,126          |
| Depreciation charge for the year | <u>2,529</u>   | <u>2,434</u>   |
| At 31 December                   | 10,089         | 7,560          |
| Net book value                   | <u>415,390</u> | <u>410,243</u> |



**10. PROPERTY, PLANT AND EQUIPMENT** *continued*Plant and equipment*Cost:*

|                | 2014<br>\$       | 2013<br>\$       |
|----------------|------------------|------------------|
| At 1 January   | 1,237,623        | 1,128,959        |
| Additions      | 181,436          | 108,664          |
| At 31 December | <u>1,419,059</u> | <u>1,237,623</u> |

*Depreciation and impairment*

|                                  |                  |                |
|----------------------------------|------------------|----------------|
| At 1 January                     | 892,840          | 722,309        |
| Depreciation charge for the year | 188,740          | 170,503        |
| Foreign translation gain         | 32               | 28             |
| At 31 December                   | <u>1,081,612</u> | <u>892,840</u> |

Net book value

|                |                |
|----------------|----------------|
| <u>337,447</u> | <u>344,783</u> |
|----------------|----------------|

Motor vehicles*Cost:*

|                |                |                |
|----------------|----------------|----------------|
| At 1 January   | 556,683        | 500,227        |
| Additions      | 59,130         | 154,956        |
| Disposals      | (31,556)       | (98,500)       |
| At 31 December | <u>584,257</u> | <u>556,683</u> |

*Depreciation and impairment*

|                                  |                |                |
|----------------------------------|----------------|----------------|
| At 1 January                     | 272,645        | 302,698        |
| Depreciation charge for the year | 76,997         | 64,869         |
| Disposals                        | (31,556)       | (94,922)       |
| At 31 December                   | <u>318,086</u> | <u>272,645</u> |

Net book value

|                |                |
|----------------|----------------|
| <u>266,171</u> | <u>284,038</u> |
|----------------|----------------|

Office equipment, furniture and fittings*Cost:*

|                |                |                |
|----------------|----------------|----------------|
| At 1 January   | 381,951        | 334,870        |
| Additions      | 27,599         | 59,394         |
| Disposals      | -              | (12,313)       |
| At 31 December | <u>409,550</u> | <u>381,951</u> |

*Depreciation and impairment*

|                                  |                |                |
|----------------------------------|----------------|----------------|
| At 1 January                     | 252,314        | 217,291        |
| Depreciation charge for the year | 49,949         | 45,306         |
| Disposals                        | -              | (10,288)       |
| Foreign translation gain         | -              | 5              |
| At 31 December                   | <u>302,263</u> | <u>252,314</u> |

Net book value

|                |                |
|----------------|----------------|
| <u>107,287</u> | <u>129,637</u> |
|----------------|----------------|

Water Coolers/Bottles*Cost:*

|                |                |                |
|----------------|----------------|----------------|
| At 1 January   | 820,806        | 759,377        |
| Additions      | 34,390         | 61,429         |
| At 31 December | <u>855,196</u> | <u>820,806</u> |

*Depreciation and impairment*

|                                  |                |                |
|----------------------------------|----------------|----------------|
| At 1 January                     | 676,736        | 593,050        |
| Depreciation charge for the year | 62,792         | 83,686         |
| At 31 December                   | <u>739,528</u> | <u>676,736</u> |

Net book value

|                |                |
|----------------|----------------|
| <u>115,668</u> | <u>144,070</u> |
|----------------|----------------|

**10. PROPERTY, PLANT AND EQUIPMENT** *continued*Kila WorldCost:

At 1 January

Additions

At 31 December

Depreciation and impairment

At 1 January

Depreciation charge for the year

At 31 December

Net book value

Work in Progress

**NET WRITTEN DOWN VALUE****11. INVESTMENT PROPERTY**

At 1 January

Addition

Revaluation

At 31 December

**12. INTANGIBLE ASSETS**Software

At 1 January

Additions

Accumulated amortisation

At 31 December

Trade mark

At 1 January

At 31 December

**NET WRITTEN DOWN VALUE****13. TRADE AND OTHER PAYABLES**Current

Trade payables

Refundable deposits

Goods in transit

Other accruals and payables

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 to 60-day terms
- For terms and conditions relating to related parties, refer to Note 18; and
- Refundable deposits are received from customers renting water coolers. A lifetime usage fee is charged for assets rented. 50% of this fee is recorded as income on receipt.

**14. INTEREST BEARING BORROWINGS**Current

Bank overdraft

Finance lease

**Total current**Maturity

On demand

March 2014

Effective interest rate

4%

4% - 8%

Non-current

Term loan

Finance lease

Total non-current

**Total interest bearing borrowings**Maturity

February 2017

March 2014

Effective interest rate

4%

4% - 8%

**2014****\$**

311,712

29,437

341,149

58,598

30,798

89,396

251,753

1,717,463

3,211,179

**\$**

1,900,000

115,557

-

2,015,557

**2014****\$**

98,978

15,171

(79,775)

34,374

63,720

63,720

98,094

**\$**

340,383

403,204

327,730

128,883

1,200,200

**2013****\$**

270,328

41,384

311,712

34,420

24,178

58,598

253,114

428,012

1,993,897

**\$**

1,215,109

-

684,891

1,900,000

**2013****\$**

67,182

31,796

(64,787)

34,191

63,720

63,720

97,911

**\$**

150,245

381,292

351,958

253,818

1,137,313

## 14. INTEREST BEARING BORROWINGS *continued*

### Bank overdraft

Bank overdraft facility with Bank of the South Pacific (BSP) bears interest at the rate of 4% per annum. The overdraft facility is limited to \$500,000.

### Term loan

Term loan is with BSP and bears interest at a fixed rate of 4% per annum for 36 months from initial drawdown of the loan funds. Upon expiry of the fixed rate period, interest rate will be subject to variation in line with movements in the Bank interest rate generally. Repayment are structured for monthly interest only for 30 months, thereafter a monthly repayment of \$48,481 per month.

BSP borrowings facilities are secured by:

1. First registered fixed and floating charge over the Company's' assets undertaking and uncalled capital of \$8,385,147; and
2. First registered mortgage over property comprised in Certificate of Title Number 39433, Lot 1 on Deposited Plan 8971 and Certificate of Title XI/05 221, Lot 2 on Plan NS 409, situated at Nabukavesi, Namosi.

### Finance lease

In 2014, Finance Lease was paid in full.

## 15. EMPLOYEE ENTITLEMENTS

At 1 January  
Arising during the year  
Utilised  
At 31 December

| 2014           | 2013          |
|----------------|---------------|
| \$             | \$            |
| 61,706         | 62,836        |
| 106,401        | 122,486       |
| (30,989)       | (123,616)     |
| <u>137,118</u> | <u>61,706</u> |

## 16. CASH AND CASH EQUIVALENTS

Cash at bank does not earn any interest.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

|                           |                  |                  |
|---------------------------|------------------|------------------|
| Cash at bank and on hand  | 274,671          | 100,860          |
| Bank overdraft (Note 14)  | (496,172)        | (457,307)        |
| <b>Net bank overdraft</b> | <u>(221,501)</u> | <u>(356,447)</u> |

## 17. SHARE CAPITAL AND RESERVES

### Authorised Capital

100,000,000 ordinary shares at \$0.20 each

| \$                | \$                |
|-------------------|-------------------|
| <u>20,000,000</u> | <u>20,000,000</u> |

### Issued and Paid Up Capital

6,000,000 ordinary shares at \$0.20 each

|                  |                  |
|------------------|------------------|
| <u>1,200,000</u> | <u>1,200,000</u> |
|------------------|------------------|

### Share premium reserve

1,000,000 shares at \$0.70 each

|         |         |
|---------|---------|
| 700,000 | 700,000 |
|---------|---------|

### Asset Revaluation Reserve

Balance at beginning of the year

|         |   |
|---------|---|
| 134,077 | - |
|---------|---|

Revaluation surplus

|   |         |
|---|---------|
| - | 148,974 |
|---|---------|

Tax effect

|   |          |
|---|----------|
| - | (14,897) |
|---|----------|

**Balance at end of the year**

|                |                |
|----------------|----------------|
| <u>134,077</u> | <u>134,077</u> |
|----------------|----------------|

## 18. RELATED PARTY TRANSACTIONS

### (a) Directors

The names of persons who were directors of Pleass Global Limited at any time during the financial year are Warwick Pleass, Catherine Pleass, Ashnil Prasad, Stefan Ali, Bruce Sutton, Griffon Emose and Fomiza Feroza Bano.

### (b) Transactions with related parties:

Transactions with related parties during the year ended 31 December 2014 with approximate transaction value are summarised as follows:

| Name           | Relationship                  | Nature of transaction | Amount (\$) |
|----------------|-------------------------------|-----------------------|-------------|
| Warwick Pleass | Managing Director/shareholder | Interest on advance   | 13,948      |
| Warwick Pleass | Managing Director/shareholder | Director's fees       | 2,000       |
|                |                               |                       | \$ 2,000    |

### (c) Amounts payable to related entities:

#### Current liabilities

|                                 |         |         |
|---------------------------------|---------|---------|
| Payable to director/shareholder | 200,000 | 200,000 |
|---------------------------------|---------|---------|

#### Non-current liabilities

|                                 |         |         |
|---------------------------------|---------|---------|
| Payable to director/shareholder | 229,580 | 233,619 |
|---------------------------------|---------|---------|

*Interest on advance from shareholder was charged at a rate of 4.0% during the year. (2013: 4.0%)*

### (d) Compensation of key management personnel:

|  |            |            |
|--|------------|------------|
|  | \$ 397,879 | \$ 232,528 |
|--|------------|------------|

## 19. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of operating profit after income tax to the net cash flows from operating activities

|   | 2014<br>\$       | 2013<br>\$     |
|---|------------------|----------------|
| Operating profit after income tax   | 688,459          | 916,514        |
| Add/(deduct) non-cash items:  |                  |                |
| Depreciation and amortisation   | 426,773          | 406,593        |
| Finance cost  | -                | 22,482         |
| Gain on revaluation of investment property  | -                | (684,891)      |
| Gain on disposal of property, plant and equipment   | (20,000)         | (33,100)       |
| Provision for employee entitlements   | 75,412           | (1,130)        |
| Foreign exchange translation  | 13,908           | 5,701          |
| Provision for inventory obsolescence  | 5,998            | (6,387)        |
| Provision for doubtful debts  | 913              | 6,524          |
| <b>Net cash provided from operating activities before changes in assets and liabilities</b> | <b>1,191,463</b> | <b>632,306</b> |
| Changes in assets and liabilities:  |                  |                |
| Increase in trade receivables   | (13,667)         | (24,223)       |
| (Increase)/decrease in inventories  | (234,836)        | 93,598         |
| (Increase)/decrease in other receivables  | (350,443)        | 66,078         |
| Increase/(decrease) in trade and other payables   | 62,887           | (75,736)       |
| Decrease/ (increase) in deferred tax  | (6,207)          | 97,861         |
| Decrease in current tax payable   | 28,518           | (26,535)       |
| Decrease in amount owing to related parties   | -                | (660)          |
| <b>Net cash flows from Operating Activities</b>   | <b>677,715</b>   | <b>762,689</b> |



## 20. FINANCIAL RISK MANAGEMENT

Risk management is carried out by finance executives and management of the Company. Management and finance executives identify, and evaluate financial risks in close co-operation with the Company's operating units. The Board of Directors provides direction for overall risk management covering specific areas, such as mitigating credit risks and investment of excess liquidity.

### (a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### Interest rate risk

Interest rates on financial assets and liabilities are largely fixed over the terms of the relevant contracts, thereby minimising the risk of mis-matches in interest rates. At the reporting date, the interest rate profile of the Company's main interest bearing financial instrument - bank overdraft facility, BSP loan, loan from shareholder and WBC finance lease:

#### Fixed or variable rate instruments

|                       | \$               | \$               |
|-----------------------|------------------|------------------|
| Bank overdraft        | 496,172          | 457,307          |
| Term loan             | 1,774,824        | 414,026          |
| Loan from shareholder | 429,580          | 433,619          |
| Finance lease         | -                | 39,733           |
|                       | <u>2,700,576</u> | <u>1,344,685</u> |

#### Foreign currency risk

The Company has transactional currency exposures. Such exposures arises from transactions by the Company in currency other than the Fijian dollars. Major exposure to currency risk relates to the transactions in Vai Wai branch - Australian dollars (AUD). Other currencies exposure are managed by entering into forward exchange rates contracts with banks for 30 day period. Overseas transactions are paid as incurred or within 30 days.

The following table demonstrates the sensitivity to a reasonably possible change in the AUD rate, with all other variables held constant, of the Company's profit before tax.

|      | Inc/Dec in USD rate | Effect on profit before tax |
|------|---------------------|-----------------------------|
| 2014 | 1 %<br>-1 %         | -530<br>548                 |
| 2013 | 1 %<br>-1 %         | 2,284<br>-2,368             |

### (b) Credit risk

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

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure that services are provided to customers with an appropriate credit history. The Company has policies that limit the amount of credit exposure to any one customer or group of customers. Credit levels accorded to customers are regularly reviewed to reduce the exposure to risk of bad debts.

The Company establishes an allowance for impairment that represents its estimate of specific losses in respect of trade and other receivables.

## 20. FINANCIAL RISK MANAGEMENT *continued*

### (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities, and the availability of funding through an adequate amount of committed credit facilities. The table below summarises the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted payments.

|                               | On demand | < 3 months | 3-12 months | 1-5 years | > 5 years | Total     |
|-------------------------------|-----------|------------|-------------|-----------|-----------|-----------|
|                               | \$        | \$         | \$          | \$        | \$        | \$        |
| Year ended 31 December 2014   | -         | 1,200,200  | -           | -         | -         | 1,200,200 |
| Trade and other payables      | 496,172   | -          | -           | -         | 1,774,824 | 2,270,996 |
| Interest bearing borrowings   | -         | -          | 200,000     | 229,580   | -         | 429,580   |
| Amount owing to related party | 496,172   | 1,200,200  | 200,000     | 229,580   | 1,774,824 | 3,900,776 |
| Year ended 31 December 2013   | -         | 1,137,313  | -           | -         | -         | 1,137,313 |
| Trade and other payables      | 457,307   | 12,096     | 15,342      | -         | 426,321   | 911,066   |
| Interest bearing borrowings   | -         | -          | 200,000     | 233,619   | -         | 433,619   |
| Amount owing to related party | 457,307   | 1,149,409  | 215,342     | 233,619   | 426,321   | 2,481,998 |

## 21. CAPITAL RISK MANAGEMENT

The Board of Directors policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's objectives when obtaining and managing capital are to safeguard the Company's ability to continue as a going concern and provide shareholders with consistent level of returns and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest bearing borrowings and trade and other payables less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Company's statement of financial position plus net debt.

|                                   | 2014       | 2013       |
|-----------------------------------|------------|------------|
|                                   | \$         | \$         |
| Trade and other payables          | 1,200,200  | 1,137,313  |
| Interest bearing borrowings       | 2,700,576  | 1,344,685  |
| Less cash and short term deposits | (274,671)  | (100,860)  |
| Net debt                          | 3,626,105  | 2,381,138  |
| Equity                            | 5,211,181  | 4,628,814  |
| Total equity plus debt            | 8,837,286  | 7,009,952  |
| <b>Gearing ratio</b>              | <b>41%</b> | <b>34%</b> |

## 22. FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instrument that are carried on the financial statements.

|                              | Carrying Amount |           | Fair Value |           |
|------------------------------|-----------------|-----------|------------|-----------|
|                              | 2014            | 2013      | 2014       | 2013      |
|                              | \$              | \$        | \$         | \$        |
| <i>Financial assets</i>      |                 |           |            |           |
| Cash                         | 274,671         | 100,860   | 274,671    | 100,860   |
| Trade and other receivables  | 1,794,181       | 1,430,984 | 1,794,181  | 1,430,984 |
| <i>Financial liabilities</i> |                 |           |            |           |
| Interest bearing borrowings  | 2,700,576       | 1,344,685 | 2,700,576  | 1,344,685 |
| Trade and other payables     | 1,200,200       | 1,137,313 | 1,200,200  | 1,137,313 |

The fair value of borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of financial assets have been calculated using market interest rates.

## 23. CONTINGENT LIABILITIES

|                          | 2014   | 2013   |
|--------------------------|--------|--------|
|                          | \$     | \$     |
| Bank guarantee and bonds | 49,205 | 50,931 |

## 24. EXPENDITURE COMMITMENTS

|                        | 2014      | 2013      |
|------------------------|-----------|-----------|
|                        | \$        | \$        |
| a) Capital commitments | 6,514,599 | 6,514,599 |
| b) Operating leases    |           |           |

Future operating lease rentals not provided for in the financial statements and payable:

|   |         |           |
|---|---------|-----------|
| Within one year   | 203,950 | 253,933   |
| After one year but not more than five years                       | -       | 1,015,733 |
| More than five years  | -       | -         |
| c) Finance lease  | 203,950 | 1,269,666 |
| Minimum lease payments for motor vehicle leases consists of:      |         |           |
| Within one year   | -       | 28,585    |
| After one year but not more than five years                       | -       | 12,480    |
|   | -       | 41,065    |
| Deduct: Future finance charges on finance leases                  | -       | (1,332)   |
| The present value of the finance lease liabilities is as follows: | -       | 39,733    |
| Within one year - current   | -       | 27,438    |
| After one year but not more than five years - non-current         | -       | 12,295    |
|   | -       | 39,733    |

**25. PRINCIPAL ACTIVITIES**

The principal business activities of the Company are trading in non-alcoholic beverages, wholesaling packaging materials and the operations of Kila Eco Adventure Park. There have been no significant changes in these activities during the year.

**26. SUBSEQUENT EVENTS**

During the year, the Company continued construction of a water bottling plant at Nabukavesi estate at a value of approximately \$7m at completion. The project is now expected to be completed by the end of third quarter 2015. Apart from this, no other matters or circumstances have arisen since the end of the financial year and the date of this report for any item, transaction or event 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.

**27. COMPANY DETAILS**

Registered office / Principal place of business  
16 Amra Street  
Walu Bay, Suva  
Fiji .

Number of employees at the end of the year was 118 (2013: 103)





## DISCLAIMER ON ADDITIONAL INFORMATION

For the year ended 31 December 2014

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### Disclaimer on additional information

The additional information, being the detailed SPSE disclosure requirements has been complied by the management of Pleass Global Limited.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than Pleass Global Limited may suffer arising from any negligence on our part. No person should rely on the additional information without having an audit or review conducted.



# SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS

For the year ended 31 December 2014

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

**(a) Statement of interest of each Director in the share capital of the Company or in a related corporation as at 31 December 2014 in compliance with Listing Requirements:**

Warwick Pleass (Direct interest 58.49%) - 3,509,970 shares.

Catherine Pleass (Indirect interest: Warwick Pleass -3,509,970 shares in Pleass Global Limited).

Ashnil Prasad (Indirect interest: Fiji National Provident Fund - 1,350,000).

Stefan Ali - Nil.

Bruce Sutton - Nil.

Fomiza Feroza Bano - (Direct interest 0.17%) - 10,000 shares.

## (b) Distribution of Share Holding

| Holding                     | No. of holders | % Holding   |
|-----------------------------|----------------|-------------|
| Less than 500 shares        | 19             | 0.13%       |
| 501 to 5,000 shares         | 40             | 1.42%       |
| 5,001 to 10,000 shares      | 11             | 1.52%       |
| 10,001 to 20,000 shares     | 5              | 1.28%       |
| 20,001 to 30,000 shares     | 1              | 0.42%       |
| 30,001 to 40,000 shares     | -              | 0.00%       |
| 40,001 to 50,000 shares     | 2              | 1.52%       |
| 50,001 to 100,000 shares    | 1              | 1.00%       |
| 100,001 to 1,000,000 shares | 2              | 11.71%      |
| Over 1,000,000 shares       | 2              | 81.00%      |
| <b>Total</b>                | <b>83</b>      | <b>100%</b> |

## (c) Share Register

SPSE Central Share Registry

Level 2, Provident Plaza 1

Suva, Fiji.

## (d) Top 20 Shareholders

|  | No. of Shares    | % Holding     |
|--|------------------|---------------|
| 1. Warwick Pleass                                      | 3,509,970        | 58.50%        |
| 2. Fiji National Provident Fund                        | 1,350,000        | 22.50%        |
| 3. FHL Trustees Limited ATF Fijian Holdings Unit Trust | 444,156          | 7.40%         |
| 4. Kontiki Growth Fund Limited                         | 258,266          | 4.30%         |
| 5. FijiCare Insurance Limited                          | 60,000           | 1.00%         |
| 6. Aequi-Libria Associates Insurance Broker Ltd        | 49,073           | 0.82%         |
| 7. Coledale Limited                                    | 42,301           | 0.71%         |
| 8. J Santa Ram (Stores) Limited                        | 25,033           | 0.42%         |
| 9. Graham Eden   | 20,000           | 0.33%         |
| 10. Camira Holdings Limited                            | 18,783           | 0.31%         |
| 11. Frazine Dutta                                      | 15,000           | 0.25%         |
| 12. Jitendra Thakorlal Narsey                          | 12,000           | 0.20%         |
| 13. Christopher Dard Keung Yee                         | 10,880           | 0.18%         |
| 14. Manish Kumar & Arti Patel                          | 10,000           | 0.17%         |
| 15. Rahat A Asgar                                      | 10,000           | 0.17%         |
| 16. Fomiza Feroza Bano                                 | 10,000           | 0.17%         |
| 17. N S Niranjans Holdings Ltd                         | 10,000           | 0.17%         |
| 18. Lalit Sudha Pala                                   | 9,808            | 0.16%         |
| 19. Timothy Lukies                                     | 9,007            | 0.15%         |
| 20. Roland F Schultz                                   | 8,800            | 0.15%         |
| <b>Total</b>   | <b>5,883,077</b> | <b>98.05%</b> |

# SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS

[continued]

For the year ended 31 December 2014

## (e) Five year financial history

|   | 2014<br>\$ | 2013<br>\$ | 2012<br>\$ | 2011<br>\$ | 2010<br>\$ |
|---|------------|------------|------------|------------|------------|
| Net profit  | 688,459    | 916,514    | 365,348    | 300,069    | 300,427    |
| Assets  | 9,360,039  | 7,255,904  | 6,069,444  | 5,326,099  | 5,768,340  |
| Liabilities                                       | 4,148,858  | 2,627,090  | 2,376,976  | 1,878,979  | 2,561,245  |
| Equity  | 5,211,181  | 4,628,814  | 3,692,468  | 3,447,120  | 3,207,095  |
| Dividend per share                                | \$0.02     |            |            |            |            |
| Earning per share                                 | \$0.11     |            |            |            |            |
| Net tangible asset per share                      | \$0.85     |            |            |            |            |
| Highest market price per share                    | \$1.00     |            |            |            |            |
| Lowest market price per share                     | \$0.89     |            |            |            |            |
| Market price per share at end of financial period | \$1.00     |            |            |            |            |

## (f) Board meeting attendance - section 6.31 (vi)

| Directors          | No. of meetings entitled to attend | No. of meetings attended |
|--------------------|------------------------------------|--------------------------|
| Warwick Pleass     | 4                                  | 4                        |
| Catherine Pleass   | 4                                  | 3                        |
| Ashnil Prasad      | 2                                  | 2                        |
| Stefan Ali         | 4                                  | 4                        |
| Bruce Sutton       | 4                                  | 4                        |
| Fomiza Feroza Bano | 4                                  | 4                        |
| Griffon Emose      | 2                                  | 2                        |

## (g) Schedule of each class of shares held by the senior management under section 6.31(iv)

| Name           | No. of shares |
|----------------|---------------|
| Warwick Pleass | 3,509,970     |
| Fomiza Bano    | 10,000        |
| Ritesh Sharma  | 1,400         |
| Abdul Tasleem  | 1,400         |

## CORPORATE DIRECTORY



### REGISTERED OFFICE:

Pleass Global Limited  
16 Amra Street  
Walubay  
Suva  
Fiji  
Tel: +679 3308803 Fax: +679 3308804  
Email: executive@pleass.net  
Web: www.pleass.com

### BOARD OF DIRECTORS

Warwick Pleass  
Catherine Pleass  
Stefan Ali  
Bruce Sutton  
Fomiza Feroza Bano  
Ashnil Prasad

### COMPANY SECRETARY

Sandeep Kumar

### SECURITIES EXCHANGE

South Pacific Stock Exchange  
Level 2, Plaza 1  
FNPF Boulevard  
33 Ellery Street  
Suva  
Tel: +679 3304130 Fax: 3304145

### SHARE REGISTRY

SPSE Central Share Registry  
Level 2, Plaza 1  
FNPF Boulevard  
33 Ellery Street  
Suva  
Tel: +679 3304130 Fax: 3304145  
Web: www.spse.com.fj

### AUDITORS

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Pacific House  
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