

Parliamentary Paper 92/2018



FIJI MEAT INDUSTRY BOARD

Annual Report 2014



CORPORATE VISION

To be a recognized provider of quality and value added: meat, protein and their by-products.

CORPORATE MISSION

FMIB is committed to providing slaughtering services in facilities that are internationally benchmarked for safety, hygiene and quality. FMIB will respond to the needs of diverse markets through humane practices, technological efficiency and adding value to meat and products.

In doing so, FMIB believes in continuous business success and growth built upon customer satisfaction, high ethical standards, good business practices and concern for the welfare of our employees. We are committed to fulfilling our responsibility to the government, the environment, our suppliers and the community in which we operate.

VALUES

Customer Focus

Team Work

Honesty

Accountability

Result Oriented

Compliance with Relevant Meat Standards

Innovation

STATUTORY FUNCTION

The Fiji Meat Industry Board was established in 1976 under the Meat Act Cap 237 of 1970.

The function of the Fiji Meat Industry Board is to:

- Construct and operate public slaughtering facilities
- Take steps deemed desirable for the protection, preservation and expansion of the meat industry in Fiji.
- Borrow funds as and when required to effectively discharge its function.
- Purchase, trade or deal in livestock, meat and its by products.

In September 2005, the Fiji Meat Industry Board was designated a Commercial Statutory Authority (CSA).

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Chairman's Report



The Board recorded the following key results:

- A net profit of \$182,971
- Total income of \$3,282,080
- FMIB sold one acre of land at 9 miles Nakasi to Ministry of Health for \$350,000

FMIB also has a social obligation to the people hence it also provides market for small holder farmers and gives them premium prices so that the farmers are encouraged to produce more. FMIB is working very closely with Ministry of Agriculture, Ministry of Economy and Ministry of Public Enterprises to have its Abattoir and Rendering Plant upgraded or the option of relocation of both abattoirs.

Fiji Meat Industry Board is mandated by the Meat Act Cap 237 to protect and preserve the Meat Industry in Fiji. Our core function is to construct and operate public slaughtering facilities so that people get safe and hygienic meat for consumption.


2014 was another challenging and exciting year for FMIB as we start to realize positive impact of our strategies implemented since year 2009 and indeed the results show that we have exceeded targets that was set in our strategic plans amidst various economic challenges.

The major challenges faced by FMIB are:

- The continued decline in cattle, sheep, pigs and goat numbers which is beyond the control of FMIB but directly affecting FMIB's income. FMIB is not in the business of production. The production of cattle is looked after by Ministry of Agriculture. FMIB slaughters for only three days a week as a result of the above therefore operating under capacity.
- The abattoir buildings and equipment is old and needs investment either by government or by private investors. This will enable new technology and efficiency with the latest processes and food safety standards in Fiji.
- The review of the Meat Act has been an outstanding issue with Ministry of Agriculture for some time. The Act is old and does not address the current issues faced by the Meat Industry.
- Both our abattoirs are situated in residential areas which is having a negative effect on the community e.g. bad odor etc.

The Board also promotes good governance in their daily operations which is reflected in the number of key internal policies. These policies were introduced over the years in line with the industry best practices. Despite all the hardships, the Board continued to meet its obligations and fulfilled its responsibilities whilst also continuing with an efficient operation of the Meat Industry.

Thank you.


Mr. Timothy Brown
Chairman

MAJOR ACTIVITIES -2014

CEO's Report

Fiji Meat Industry Board invested more than \$ 115,000 on a new "Magiti" Sales Office and two Chillers. This is to ensure that meat sold from the retail outlet is safe, free from contamination and compliant with the Food Safety Act.

Management introduced "Targeted Performance Improvement" analyzing the whole slaughtering and rendering processes and determining specific high impact area of productivity. This strategy has an impact on processing of meat and fish Meal achieving 647 tons which is the highest production ever recorded since established of the Abattoir in 1974.

A total income of \$497,274 derived from the sales of rendering products which has a significant contribution towards the company's total revenue. Furthermore, the increase in Fish Meal production provided extra days of work for employees and also provides high quality protein source for livestock feed.

The Board continues to encounter challenges with the increasing cost of processing despite the slaughter fees not being reviewed since 2006. This has affected the implementation of Job Evaluation for twenty five positions including Managers, Supervisors and Slaughterman. However the Board managed its resources well to ensure profitability and sustainability of the company.

The Board has outsourced its Pest Control and Hygiene to Fastkil Pest Control Services which is a requirement for HACCP certification.

The Board provided incentives to employees by paying out unutilized sick leave at the end of the year which has improved attendance and productivity. Employees who want to pursue further studies in line with the job description and

duties performed in the company are also assisted through the "tuition reimbursement program"

1.0 SLAUGHTERING

FMIB is committed in providing hygienic slaughtering for the public in compliance with the Meat Industry Act 1970. In doing so all livestock slaughtered has been carried out in the presence of Government Meat Inspectors and Quality Assurance Officers of the company. Government Meat Inspectors provide meat inspection services and also the weighing of carcasses. This is to ensure that meat is free from contamination, safe and hygienic for consumers. The Board's HACCP plan was done within and was approved by the Ministry of Health in September.

Slaughtering of ruminant animals are being carried out observing halal slaughter requirements set by the Fiji Muslim League. FMIB practices humane slaughtering in compliance with the Animal Welfare Act with the use of captive bolt stunning for ruminants and electrical stunning for pigs.

1.1 Total Slaughter

Pigs will continue to be the major and growing commodity because of their ability to reproduce. A total of 15,208 pigs were slaughtered which is 64.87% of the total slaughter numbers. Despite the high number of pig numbers slaughtered, pork weight is only 31.78% of the total carcasses weight. There were 7,589 cattle slaughtered which represent only 32.37% of the total slaughter numbers, however beef volume is 67.89% of the total carcasses weight. The proportion of goats slaughtered has increased to 2.06% compared to 0.71% in 2013. Total Sheep and Calves slaughter numbers is insignificant which represents 0.27% and 0.43% respectively of the total slaughter.

Figure 1: Slaughter Proportion by Species & Numbers

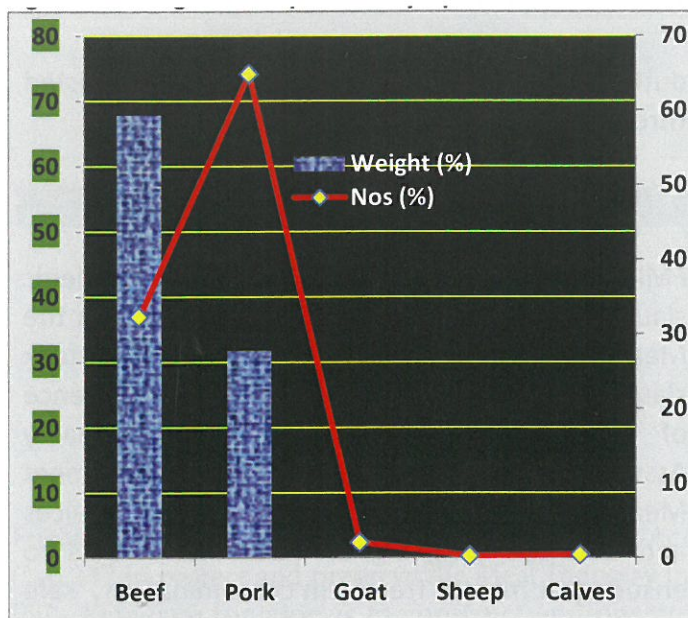


Table 1: FMIB Slaughter Numbers and Weight 2014

Species	Nos	Weight(t)	% Nos	% Weight
Cattle	7589	1895	32.37	67.89
Pig	15208	887	64.87	31.78
Goat	483	6.59	2.06	0.24
Sheep	64	0.92	0.27	0.03
Calves	100	1.77	0.43	0.06
Total	23444	2791.28	100	100

2.0 CATTLE



The total number of cattle slaughtered exceeded the budget and previous year by 6.89% and 5.95% respectively. A total of 7589 were slaughtered compared to 7163 slaughtered in 2013. The increase was due to the shortage and the hike in pork price.

Total carcasses weight also increased to 1,895 tons compared to 1,849 tons in 2013 which increased by 2.49%. However, average carcass weight has declined to 250kg compared 258kg in 2013. Total number of condemned carcasses has increased to 150 compared to 48 in 2013. This was due to high incidences of generalized tuberculosis. Cattle slaughter numbers remains low for the past eight years. The Board is very much concerned with the decline and highlighted this issue to the Ministry of Agriculture as cost of processing increases every year.

The Board is working with other stakeholders to encourage beef farming as a business by providing incentives such as longer term leases, low interest rate on borrowed capital, improved genetics and to ensure that fencing material are readily available. The Board is working closely with the Fiji Development Bank (FDB) to revive the Tilivalevu Beef Scheme where the Board purchases the cattle and provide transport "free of charge", with sales proceeds going to the FDB for repayment of the farmer's loan.

The Board also assists the Ministry of Agriculture with the slaughtering of Tuberculosis infected cattle to prevent the disease from spreading to other cattle and human beings. Cattle that are tested positive are not allowed to be sold from the farm and are only allowed to be slaughtered in the Abattoir.

The Board still offers slaughtering services to the Muslim community during the festival of gurbani in October with forty five cattle slaughtered this year. This benefits the Board not only in terms of slaughter fees, other benefits including hides and inedible offal processed for meat meal.

Table: 2 Cattle Slaughter Numbers and Weight.

Year	SUVA Nos	VUDA Nos	FMIB Nos	(Tonnes)
2000	8303	2476	10779	2576
2001	8322	2567	10889	2740
2002	8245	2383	10628	2346
2003	6720	1952	8672	2223
2004	6733	1894	8627	2172
2005	6492	1940	8432	2130
2006	6634	1860	8494	2126
2007	5845	1730	7575	1908
2008	5899	1642	7541	1880
2009	5156	1512	6668	1680
2010	5251	1972	7223	1756
2011	5125	1996	7121	1943
2012	5115	2059	7174	1833
2013	5012	2151	7163	1849
2014	5285	2304	7589	1895

Figure 2 Cattle Slaughter Data 2000 – 2014

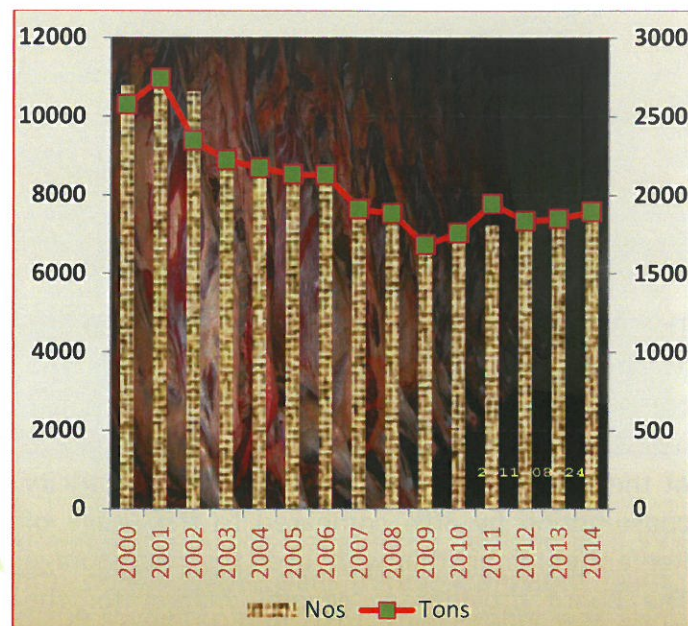
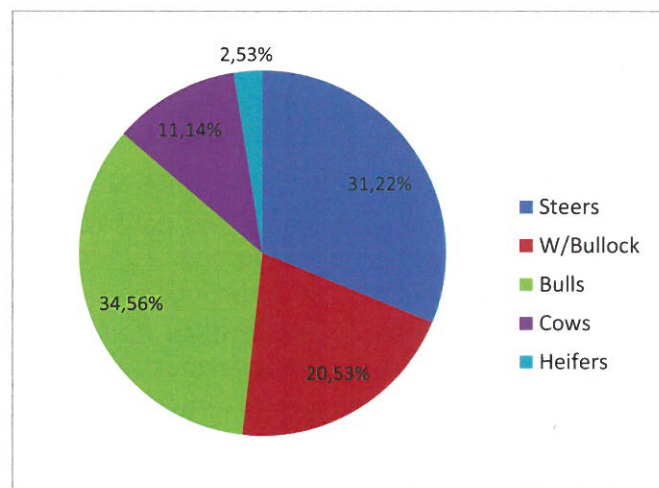


Figure 3: Cattle Slaughter by Class



Cattle slaughtered by class during the year were as follows: Cows 1197 (211.25t), Working Bullocks 1137 (389.19t), Steers 2271 (591.85t), Bulls 2700(655.17t), Heifers 284 (48.02t).

2.1 MAGITI TRADE



The Board invested more than \$115,000 on the Magiti facilities, a new office and two Chillers in compliance with the Fiji Food Safety Act 2009. The new Magiti facilities not only improved the image of the company it will also reduce the electricity consumption by 30% compared to the usage of Reefer Containers that were used for meat storage. The Board provides a “Magiti” market for the public who require buying whole carcass especially for the “Itaukei” traditional and social obligations where meat is presented.

Consumers are more health conscious and would prefer dressed carcasses that are hygienically slaughtered and inspected by Meat Inspectors than those slaughtered at the “back yard”. There are also varieties of products available such as primal beef cuts, pork pieces and beef pack (20kg) and tray pack.

The “Magiti” market also provides a readily available market for small holder farmers who are not able to sell at the farm gate or other butchers. Butchers that sell pork have their own Piggeries and will not buy from small holders. These butchers are very particular with the quality of pork and would prefer carcasses weight more than 60kg and lean meat for the processing of bacon and ham.

A total of 254 cattle were slaughtered compared to 401 slaughtered in 2013 which significantly declined by 36.66%. The decline was due to the

butchers engaging their own “middle man” to avoid paying VAT.

The Board offers competitive buying price to encourage farmers to produce more and improve the quality of beef with market preference for lean and tender meat.

Cattle Buying Price

Grade	Buying Price
I	\$5.00/kg Dress Weight
II	\$4.80/kg Dress Weight
III	\$2.90/kg Dress Weight

The beef market is saturated with working bullocks and culled cows with inferior meat quality which is extremely tough and unfavorable for the tourist market.

Table 3: Cattle *Magiti* Trade Data

Year	Cattle #	Change #s	Change %
2002	776		
2003	883	107	13.8
2004	983	100	11.3
2005	1148	165	16.3
2006	1048	(100)	(8.7)
2007	676	(372)	(35.5)
2008	611	(65)	(9.6)
2009	853	242	39.6
2010	873	20	2.3
2011	593	(280)	(32.1)
2012	441	(152)	(25.6)
2013	401	(40)	(9.1)
2014	254	(147)	(36.6)

3.0 CALVES



There were only 100 calves slaughtered compared to 203 slaughtered in 2013. The number of calves slaughtered has declined significantly by 50.7% after the eradication of brucellosis infected cattle in dairy farms. Now most of the affected farms have retained their calves for replacement stock.

Table 4: Calf Production (Nos.)

	SUVA	VUDA	FMIB	FMIB
Year	Nos	Nos	Nos	(T)
2000	554	0	554	9
2001	452	0	452	9
2002	338	0	338	7
2003	276	0	276	5
2004	277	0	277	5
2005	254	0	254	5
2006	202	0	202	4.8
2007	190	0	190	3.67
2008	163	0	163	3.29
2009	117	0	117	3.49
2010	442	0	442	8.15
2011	356	0	356	10.88
2012	358	0	358	6.74
2013	203	0	203	3.83
2014	100	0	100	1.77

4.0 PIGS



Total number of pigs slaughtered declined by 5.59% with only 15,208 slaughtered compared with 16,109 slaughtered in 2013. The number was also short of the budget by 4.95% this was due to the shortage of Mill Mix in the local market after it was exported to Vietnam. This has drastic effects on small holder piggeries not only with shortage of the commodity but prices increases dramatically as well.

Total carcasses weight was short of the target of 2013 production by 7.59% and 8.27 respectively. A total of 887 tons produced this year compared to 967 tons produced in 2013. More than 82% of the total pigs slaughtered were supplied from Waiyanitu, Leylands and Vuda piggeries while the rest were from small holders.

Small holder piggeries are changing their breed to exotic breed because of the high feed cost, which makes it uneconomical to feed native pig breed. Exotic breed such as Landrace, Large white and Duroc are known to have traits for high farrowing index, good litter sizes and high feed efficiencies.

Figure 5: Pig Slaughter Numbers and Weight 2000 – 2014

Year	SUVA Nos	VUDA Nos	FMIB (Nos)	FMIB (Ton)
2000	10402	2930	13332	772
2001	10614	2153	12767	671
2002	10439	2167	12606	650
2003	11135	3092	14227	768
2004	11186	4672	15858	906
2005	12454	4741	17195	943
2006	12299	4333	16632	911
2007	13986	3950	17936	977
2008	12284	4248	16532	891
2009	12173	5390	17563	946
2010	11168	4957	16125	931
2011	10214	5374	15588	899
2012	12149	4506	16655	980
2013	11839	4270	16109	967
2014	11245	3963	15208	887

The buying price offered by FMIB for magiti pigs are quite competitive, an incentive for farmers to increase production. This will encourage farmers to raise fast growing exotic pig breed with dress weight 35kg to 50kg.

Pig Buying Prices

Class	Weight	Buying Price
Porker	15-30kg	\$7.00/kg Dressed
	31-50kg	\$7.00/kg Dressed
Baconer	51-70kg	\$6.00/kg Dressed
	71-85kg	\$5.00/kg Dressed
	86-100kg	\$4.50/kg Dressed
All Class	>101kg-180kg	\$4.00/kg Dressed

The highest number of pork carcasses (13.68%) sold in a month was in December, this coincided with the festive season and Christmas when " itaukei" families have "lovo".

Table 5: Pork Production Data 2000-2014

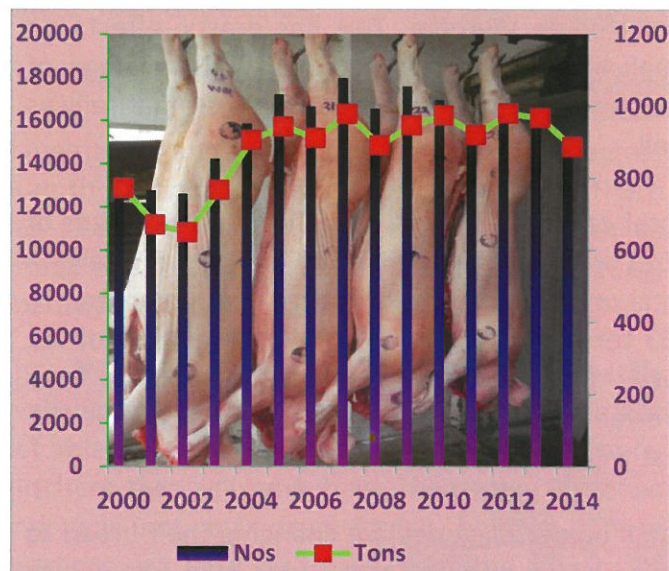


Table 6: Pig Magiti Trade Data

Year	Pigs #	Change #s	Change %
2002	748		
2003	1413	665	88.9
2004	1944	531	37.58
2005	2564	620	31.89
2006	2855	291	11.34
2007	3235	380	13.31
2008	3292	57	1.76
2009	3067	(225)	(6.83)
2010	2948	(119)	(3.88)
2011	2235	(713)	(24.18)
2012	2222	(13)	(0.58)
2013	2499	277	12.46
2014	1914	(585)	(23.41)

4.1 Pig Magiti Trade

The number of pigs slaughtered for Magiti has declined by 23.41% compared to previous year. This was due to the increase in Mill Mix prices that causes the closure of small holder piggeries.

5.0 GOAT

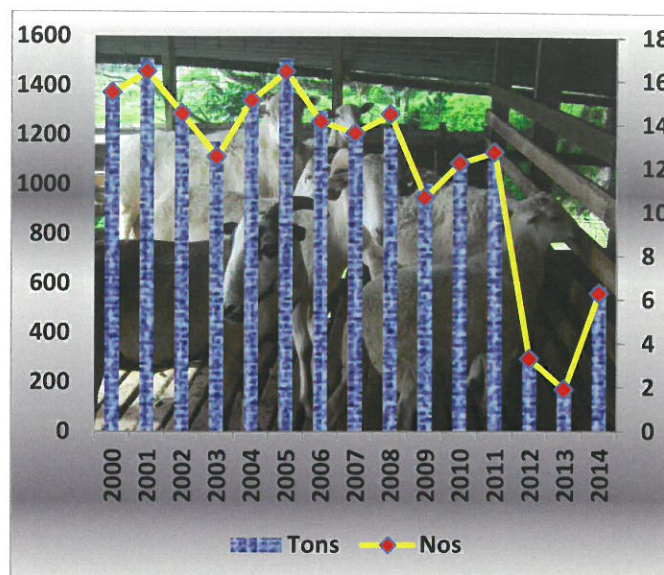


Total number of goats slightly increased to 558 compared to 169 slaughtered in 2013. Total goat meat produced also increased to 6.59 tons compared to 1.92 tons produced in 2013. The increase in the number of goats slaughtered was due to the slaughtering of culled female that are unsuitable for breeding.

Table 7: Goat Production (Nos.) 2000 – 2014

Year	SUVA Nos.	VUDA Nos.	FMIB Nos.	FMIB (T)
2000	902	471	1373	15.3
2001	1109	349	1458	17
2002	1160	128	1288	14.7
2003	1046	67	1113	13.2
2004	1311	30	1341	15.5
2005	1403	55	1458	17
2006	1193	61	1254	14.6
2007	912	295	1207	13.62
2008	893	390	1283	13.83
2009	341	605	946	11.28
2010	633	452	1085	12.26
2011	672	457	1129	12.32
2012	131	162	293	3.30
2013	135	34	169	1.92
2014	483	75	558	6.59

Figure 6: Goat Slaughter Data 2000 – 2013



6.0 SHEEP



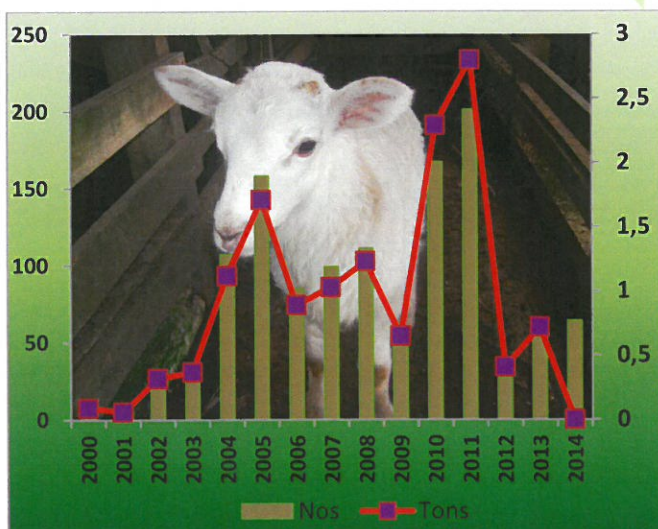
There were only 64 sheep slaughtered in 2014 compared to 60 slaughtered in previous year. The decline was due to the strict restrictions placed on the slaughter of female sheep. Majority of the sheep slaughtered were supplied from Yaqara Pastoral Company.

There is a high demand for the local mutton because of low fat content which makes the price more than the imported product. Despite the introduction of the breeders to the farmers in the early 1980's sheep population is still low due to worm infestations, poor husbandry and theft.

Table 8: Sheep Production (Nos.)

	SUVA	VUDA	FMIB	FMIB
Year	Nos	Nos	Nos	(T)
2000	4	1	5	0.09
2001	3	0	3	0.06
2002	20	0	20	0.32
2003	16	12	28	0.37
2004	73	34	107	1.12
2005	158	0	158	1.71
2006	85	0	85	0.89
2007	73	26	99	1.03
2008	81	30	111	1.23
2009	42	15	57	0.65
2010	38	129	167	2.29
2011	110	79	189	2.80
2012	4	23	27	0.410
2013	21	39	60	0.614
2014	41	23	64	0.916

Figure 7: Sheep Slaughter Data 2000 – 2013



7.0 RENDERING



The Rendering Section produced more than 647 tons of Meat Meal and Fish Meal. This is the highest ever produced since the established of the Abattoirs. This was only achieved through the dedication and the commitment of employees who worked tirelessly operating the Rendering on a three shift operations. The results shows well coordinated work between the three fish processing companies (Tossa, Tri Pacific, Golden Ocean) and the FMIB ensuring that all fish waste are processed.

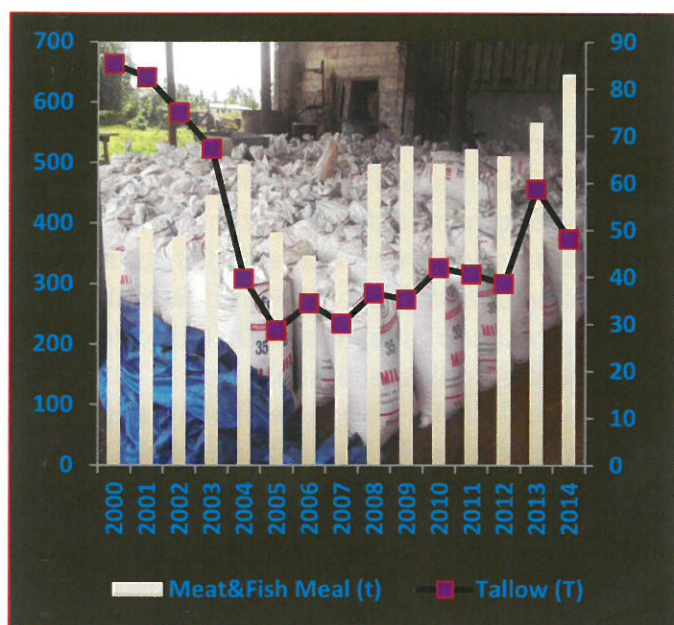
FMIB need to process fish waste to sustain its rendering operations profitably and to provide extra days of work for its employees.

On the other hand it assists pig farmers who supply to FMIB for a much quicker turnover as it boosts pig's growth rate. Meat Meal and Fish Meal are excellent sources of protein with average crude protein level of 48% and 65% respectively.

Table 9 Fish & Meat Meal Production (T)

Year	M&B T	Tallow T
2000	353.9	85.2
2001	389.9	82.4
2002	377.6	74.93
2003	446.2	67.23
2004	497.3	39.6
2005	384.5	28.57
2006	346.4	34.38
2007	340.9	30.06
2008	497.7	36.5
2009	527.0	35.13
2010	497.9	41.9
2011	522.4	40.5
2012	510.6	38.52
2013	566.7	58.59
2014	647.0	48.06

Figure 8: Rendering Production Data 2000 – 2014



8.0 HIDE PRODUCTION



The hide quality has improved with minimal damages incurred during skinning. A total of 7,473 hides were salted compared to 7,122 which increased by 4.92%. A total of seven containers of hides were exported to Australia.

9.0 LIVESTOCK UNIT



The Livestock unit focuses more on cattle raised in its farm which have increased significantly to 119. The section carried out husbandry practices such as drenching, dehorning and castration.

The Unit also liaises with livestock farmers who want to sell their livestock to the Abattoir to ensure consistency in the supply of livestock to the Abattoir.

Pregnant and underweight cattle are bought on live weight basis and kept at Nasinu Abattoir until calving or when they reached the required weight for slaughter.

A total of twenty eight (28) cattle raised by the Unit were slaughtered for *Magiti* compared to forty four (44) in previous year.

10.0 QUALITY ASSURANCE

The Quality Assurance Team ensures that the meat is safe for human consumption by demonstrating its ability to control food safety hazards. The team also handles customer complains, queries and customer feedback. It also establishes, document and maintains procedures to ensure that quality records are used to demonstrate achievement of the required quality system. A lot of monitoring works are done on chiller temperature, carcass which all contribute to the quality of the finished product.

Slaughtering, delivery and cleaning procedures were closely monitored with data collated and analyzed for Audit purposes and general data for FMIB.

10.1 Compliance

Deliveries for both beef and pork carcasses are now compliant with Food Safety Act 2009 with carcasses temperature from the Abattoir maintained right through the door step of the butchers.

The Board and the Ministry of Agriculture continue to monitor and impose strict ban on the slaughtering of female cattle. Only female cattle that are unsuitable for breeding are slaughtered with approval from the Permanent Secretary of Agriculture.

FMIB continues to slaughter brucellosis and tuberculosis infected cattle strictly following standard operation procedures to ensure the health and safety of workers.

There has been very little improvement carried out on the Abattoir since its establishment in the early 1970's even though there are now new legislations and requirements on food handling, security and hygiene.

This has adversely affected the Board's ability to enter and penetrate new markets particularly hotels and large restaurants demands for high quality beef which are currently being imported from overseas.

The Food Unit of the Ministry of Health completed the audit of both abattoirs and the Board is now undertaking corrective actions on the deficiencies observed including the preparation of its HACCP Plan and implementations. FMIB is now looking at improving critical area such Chillers, Delivery Trucks and the Hot Water System.

The Board's capacity to fully implement the audit recommendations is currently severely constrained given its tight cash flow.

11.0 Financial Performance

FMIB earned a total of \$3,282,080 in 2014 compared to \$3,851,263 in 2013. The reason for the decrease is the decline in the throughput of livestock for slaughter and the decline in *Magiti* sale from FMIB. The increase in other comprehensive income was the result of sale of one acre of land to Ministry of Health for \$350,000.

The total operating expenditure for 2014 was \$3,336,835 compared to \$3,436,997 in 2013. This was due to the various cost cutting measures implemented by the Board together with the restructure of key positions at FMIB. The Net operating profit for year 2014 was \$182,971 compared to profit of \$326,981 in 2013.

11.1 Financial Position

The total current asset of FMIB was \$1,010,306 in 2014 and a noncurrent asset was \$2,068,222. Total asset as at 31st December 2014 was \$3,078,528. The current liability in 2014 was \$486,838 and long term liability was \$1,208,184 in 2014. The net worth of FMIB as at 31st December 2014 was \$1,383,506.

There were 6 training and development programs attended by various staff during the year. This included in-house trainings organized by Quality Assurance. FMIB assisted one staff in pursuing further studies through the Education Assistance Policy.

The Board received an approval for the payout of staff bonus for year 2012 in January and payouts were made accordingly. The payout bonus was endorsed by the Minister for Public Enterprises after the Board's recommendation. Management continuously monitors the PMS and recommends amendments with the view to develop and improve the system.

12. HUMAN RESOURCES

The Board has streamlined its operations to ensure efficiencies and maximize the usage of its resources. This has resulted in the reduction of its work force from 88 to 74.

The position of General Manager Finance and Corporate Services was endorsed by the Ministry of Public Enterprise and formal contracts were formulated. The positions of Manager Suva Abattoir and Manager Vuda Abattoir were advertised and filled in December. There were no casual workers at the end of the year and workers were hired on short term contracts during the year. The Board accommodated 9 students under the Industrial Attachment Policy.

An independent assessment of 25 positions was carried out by PricewaterhouseCoopers. The implementation of Job Evaluation report awaits approval of increase of slaughter fees from the Ministry.

AUDITED FINANCIAL STATEMENTS

2014

**FIJI MEAT INDUSTRY BOARD
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

1. The following were directors of the Board at any time during the financial year and up to the date of this report.

Timothy Brown (Chairman)
Sevuloni Debalevu
Simon Cole
Elizabeth Talica
Martin Compain
Permanent Secretary for Agriculture
Permanent Secretary for Health
Permanent Secretary for Public Enterprises
Permanent Secretary for Finance

2. **Principal activity**

The principal activity of the Board is to regulate and control the slaughtering of livestock. Other activities include the sale of processed by-products such as tallow and meat meal.

3. **Trading results**

The Board recorded a profit for the year of \$182,971 (2013: Profit \$326,981).

4. **Provisions**

There were no material movements in provisions during the year apart from the normal amounts set aside for such items as depreciation and doubtful debts.

5. **Reserves**

The directors recommended that no amounts be transferred to reserves in respect of year ended 31 December 2014.

6. **Non current assets**

The directors took reasonable steps before the Board's financial statements were prepared to ascertain that the non current assets of the Board were shown in the accounting records at a value equal to or below the value that would be expected to be realized in the ordinary course of business.

At the date of this report, the directors are not aware of any circumstances, which would render the values attributable to the non current assets in the financial statements misleading.

7. Bad and doubtful debts

The directors took reasonable steps before the financial statements were prepared, to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances, which would render the amount written off for bad debts, or the amount of the provision for doubtful debts, inadequate to any substantial extent.

8. Other circumstances

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

9. Unusual circumstances

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

10 Director's Benefits

No director of the Board has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors and any claim and/or any payment made by any director for attendance and professional services rendered and approved by the directors of the Board as shown in the Board's accounts) by reason of a contract made with the Board or a related corporation with the director or with a firm of which the director is a member, or in a Board in which the director has a substantial financial interest.

11 Basis of accounting

The directors believe the basis of the preparation of financial statements is appropriate and the Board will be able to continue in operation for at least 12 months from the date of this statement. Accordingly, the directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

12 Events subsequent to balance date

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

No other contingent liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Board to meet its obligation when they fall due.

For and on behalf of the Board.



Chairman

4/12/15

Date



Director

4/12/15

Date

**FIJI MEAT INDUSTRY BOARD
STATEMENT BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014**

In accordance with a resolution of the directors of Fiji Meat Industry Board, we state that in the opinion of the directors:

- (i) the accompanying statement of comprehensive income is drawn up so as to give a true and fair view of the results of the Board for the year ended 31 December 2014;
- (ii) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Board as at 31 December 2014;
- (iii) the accompanying statement of changes in equity is drawn up so as to give a true and fair view of the movement in equity of the Board for the year ended 31 December 2014;
- (iv) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flows of the Board for the year ended 31 December 2014;
- (v) at the date of this statement, there are reasonable grounds to believe that the Board 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 Board and reflected in the financial statements.

For and on behalf of the Board.



Chairman



Date



Director



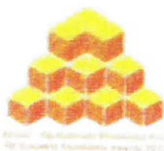
Date

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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INDEPENDENT AUDITOR'S REPORT

To the members of Fiji Meat Industry Board

Report on the Financial Statements

I have audited the accompanying financial statements of Fiji Meat Industry Board, which comprises the statement of financial position as at 31 December 2014, and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on Notes 1 to 20.

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 Standard for small and medium-sized entities and the requirements of Meat Industry Act (Cap 237). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Audit Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Fiji Meat Industry Board as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for small and medium-sized entities.

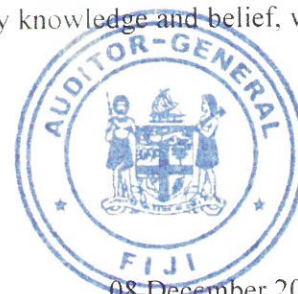
Without qualifying the opinion above, I draw attention to the following *Other Matter*:

Cash and Cash Equivalents of \$88,024 (Note 6) are inclusive of \$23,557 as lodgements not yet credited alleged to have been misappropriated in 2010. The Board is awaiting the Courts' decision on the case.

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.



Atunaisa Nadakuitavuki
for **AUDITOR GENERAL**



08 December 2015
Suva, Fiji

FIJI MEAT INDUSTRY BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Revenue			
Operating income	4	3,095,161	3,592,004
Release of deferred income		147,200	147,200
Other income	5(a)	39,719	112,059
Total Revenue		3,282,080	3,851,263
Less:			
Changes in inventories - finished goods		(804,017)	(1,098,351)
Raw materials and consumables used		(202,404)	(158,851)
Staff costs		(902,312)	(895,749)
Depreciation expense		(321,561)	(254,501)
Other operating expenses	5(b)	(1,106,541)	(1,029,545)
Profit from operations		(54,755)	414,266
Finance Cost	5(c)	(81,372)	(91,535)
Net Loss from Operations		(136,127)	322,731
Other Comprehensive Income			
Proceeds from Land Sale		304,348	-
Gain on Sale		14,750	4,250
Total comprehensive income for the year		182,971	326,981

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

FIJI MEAT INDUSTRY BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Current assets			
Cash & cash equivalents	6	88,024	215,650
Held - to - maturity investment	7	404,838	201,044
Trade and other receivables	8 (a)	399,405	363,720
Prepayments and deposits	8 (b)	18,426	17,665
Inventories	9	99,613	122,162
		<u>1,010,306</u>	<u>920,241</u>
Non-current assets			
Property, plant and equipment	10	2,068,222	2,106,686
		<u>2,068,222</u>	<u>2,106,686</u>
Total Assets		<u>3,078,528</u>	<u>3,026,927</u>
Current liabilities			
Payables	11	342,838	243,268
Interest bearings borrowings	12 (a)	144,000	156,000
		<u>486,838</u>	<u>399,268</u>
Non Current Liabilities			
Interest bearing borrowings	12 (b)	847,084	918,824
Deferred income	13	361,100	508,300
		<u>1,208,184</u>	<u>1,427,124</u>
Total Liabilities		<u>1,695,022</u>	<u>1,826,392</u>
NET ASSETS		<u>1,383,506</u>	<u>1,200,535</u>
Equity			
Retained earnings		1,383,506	1,200,535
TOTAL EQUITY		<u>1,383,506</u>	<u>1,200,535</u>

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

For and on behalf of the Board.


Chairman


Director

2/12/15

**FIJI MEAT INDUSTRY BOARD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Retained Earnings \$	Total \$
Balance as at 31 December 2012	873,554	873,554
Profits for the year	326,981	326,981
Balance as at 31 December 2013	1,200,535	1,200,535
Profits for the year	182,971	182,971
Balance as at 31 December 2014	1,383,506	1,383,506

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

**FIJI MEAT INDUSTRY BOARD
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
Operating activities			
Receipts from customers		3,412,169	3,665,457
Payments to suppliers, creditors and employees		(2,893,155)	(3,220,979)
Interest and Finance costs paid		(81,372)	(91,535)
Net cash flows from(used in) operating activities		437,642	352,943
Investing activities			
Payments for plant and equipment		(283,097)	(256,373)
Payment for investment		(198,431)	-
Net cash flows from investing activities.		(481,528)	(256,373)
Financing activities			
Net (repayments) of long term loan		(83,740)	(13,637)
Net cash flows from financing activities.		(83,740)	(13,637)
Net (decrease)/increase in cash and cash equivalents		(127,626)	82,933
		215,650	132,717
Cash and cash equivalents at 31 December	6	88,024	215,650

The accompanying notes form an integral part of this Statement of Cashflow.

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. GENERAL INFORMATION

The Fiji Meat Industry Board (Board) was established in 1976 under the Meat Act Cap 237 of 1970.

The function of the board is to:

- Construct and operate public slaughtering facilities;
- Take steps deemed desirable for the protection, preservation and expansion of the meat industry in Fiji;
- Borrow funds as and when required to effectively discharge its function; and
- Purchase, trade or deal in livestock, meat and its by-product.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by Fiji Meat Industry Board are stated to assist in the general understanding of these financial statements. These policies have been consistently applied except as otherwise indicated.

Basis of Preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SME's") issued by the International Accounting Standards Board. The financial statements are presented in Fiji dollars and all values are rounded to the nearest dollar.

The financial report has been prepared on the basis of historical costs and except where specifically stated do not take into account current valuations of non-current assets.

Judgements, estimates and assumptions

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation has been calculated using straight line method based on an assessment of the economic life of the assets. The economic life of assets has been estimated as follows:

Leasehold land	Over the lease period.
Land, yard and roadmaps	55, 75 years
Buildings and improvement	10,20,40,60 and 80 years
Plant, furniture and equipment	1-5, 10 and 20 years
Motor vehicles	5 years

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

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

3.2 CAPITAL GRANTS

The cost of assets acquired by the Board which are funded by way of a Government or similar grant is recognised as deferred income on receipt of the grant and released to income when all attached conditions have been complied with.

3.3 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. The cost of raw materials and spare parts include all costs of acquisition, calculated on the weighted average basis. Finished goods are determined on a consistent basis, comprising prime costs and an appropriate proportion of fixed and variable overhead expenses. Livestock valuation is based on market value less estimated point of sale costs.

3.4 TRADE AND OTHER RECEIVABLES

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of receivables. A provision is raised for any doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 TRADE AND OTHER CREDITORS

represent liabilities for goods and services provided to Board prior to end of financial year and which are unpaid.

3.6 INCOME TAX

The Board is exempt from income tax under section 13 of the Meat Industry Act and section 17 (4) of the Income Tax Act.

3.7 FOREIGN CURRENCY

Assets and liabilities in foreign currencies are translated into Fiji currency at exchange rates prevalent at balance date. Foreign currency transactions during the year are translated into Fiji currency at the rate of exchange prevailing on the date of the transactions. All differences are taken to profit or loss.

3.8 EMPLOYEE BENEFITS

Liabilities for wages and salaries are recognized and are measured as the amount unpaid at the reporting date at current pay rates in respect of employee services up to that date.

3.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the Statement of Financial Position at cost. For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand and at bank and short term deposits with a maturity of three months or less. Term deposits with a maturity of more than three months are classified as held-to-maturity investments.

3.10 REVENUE RECOGNITION

Operating revenue represents revenue earned from the sale of the board's products, net of returns, trade allowances and taxes.

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and revenue can be reliably measured.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 LEASED ASSETS

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Board. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognized as assets of the Board at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rental payable under operating leases are charged to profit or loss on straight-line basis over the term of the relevant lease.

3.12 BORROWING COST

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.13 Impairment of Assets

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.14 Comparative Figures**

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

3.15 Segment Information

The business segments identified in the primary reporting disclosures are Abattoir, Magiti and Others. Other operations of the company comprise of beef cattle fattening operation. The Board only operates in Fiji where it has two sites - Nakasi and Vuda.

Tannery operations was discontinued in 2006. Machines relating to Tannery were sold and realised as a gain in 2012.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment. Segment assets include all assets used by a segment and consist primarily of cash, receivables, inventories and property, plant and equipment, net of related provisions. Segment liabilities consist primarily of trade and other creditors and provisions.

While revenue can be directly attributable to the business and segments, expenses, assets and liabilities could not be reasonably allocated.

4 SEGMENT INFORMATION**a) Primary reporting - Business Segments**

	2014	2013
<u>Revenue</u>	<u>\$</u>	<u>\$</u>
Abattoir	1,980,358	2,035,639
Magiti	1,105,318	1,544,322
RND	9,485	12,043
	<u>3,095,161</u>	<u>3,592,004</u>

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

4	SEGMENT INFORMATION (continued)	2014	2013
		\$	\$
	Results		
	Abattoir	1,978,587	2,021,959
	Magiti	308,620	466,036
	RND	3,936	5,659
		<u>2,291,143</u>	<u>2,493,654</u>
	Unallocated Revenue	506,017	263,508
	Unallocated Expenses	(2,532,817)	(2,338,646)
	Unallocated Finance costs	(81,372)	(91,535)
	Net Profit/ (Loss)	<u>182,971</u>	<u>326,981</u>
	Segment Assets		
	Abattoir	2,068,222	2,106,686
		<u>2,068,222</u>	<u>2,106,686</u>
5	OTHER REVENUE AND EXPENSES		
	(a) Other Income		
	Interest	4,494	5,363
	Rent	1,000	4,850
	Miscellaneous revenue	34,225	106,096
		<u>39,719</u>	<u>116,309</u>
	(b) Other operating expenses		
	Professional Fees	19,172	21,000
	Honorarium Board Allowance	33,500	32,500
	Rates	41,070	52,910
	Chemicals	54,174	56,932
	Insurance	57,349	66,094
	Slaughtering Fees	60,199	85,692
	Utility Chargers	383,217	259,276
	Operation and Maintenance	247,546	256,173
	Other operating costs	210,314	198,968
		<u>1,106,541</u>	<u>1,029,545</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

5	OTHER REVENUE AND EXPENSES (continued)	2014	2013
		\$	\$
(c)	Finance Cost		
	Interest on bank loan	73,607	83,870
	Bank Charges	7,765	7,665
		<u>81,372</u>	<u>91,535</u>
6	CASH AND CASH EQUIVALENTS		
	For the purposes of Statement of Cash Flows, cash includes cash on hand, cash at bank and short term deposits. Cash at the end of the reporting period as shown in the statement of cash flows comprises:		
	Cash on hand and at bank	<u>88,024</u>	<u>215,650</u>
7	HELD-TO-MATURITY INVESTMENTS		
	Term deposits - Credit Corporation	<u>404,838</u>	<u>201,044</u>
	Term deposits are placed with licensed commercial banks and financial institutions and typically have terms more than 3 months and less than one year.		
8 (a)	RECEIVABLES		
	Trade debtors	422,774	387,339
	Less: Provision for doubtful debts	(25,000)	(25,000)
		<u>397,774</u>	<u>362,339</u>
	Other receivables	1,631	1,381
		<u>399,405</u>	<u>363,720</u>
8 (b)	PREPAYMENTS AND DEPOSITS		
	Prepayments - Fiji Care	2,488	2,374
	Prepayments - Others	8,966	8,402
	Refundable Deposits - Telecom	1,465	1,465
	Refundable Deposits - FEA	5,507	5,424
		<u>18,426</u>	<u>17,665</u>

FIJI MEAT INDUSTRY BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

9	INVENTORY	2014 \$	2013 \$
	Raw materials	44,130	52,882
	Finished goods	25,564	29,122
	Livestock	29,919	35,910
	Other	-	4,248
		<u>99,613</u>	<u>122,162</u>

10 PROPERTY, PLANT AND EQUIPMENT

(a) Property, plant and equipment are included in the accounts on the following basis:

Leasehold improvements	674,835	671,793
Less: Accumulated Depreciation	305,928	295,878
	<u>368,907</u>	<u>375,915</u>
Building	1,392,861	1,381,778
Less: Accumulated Depreciation	835,453	810,720
	<u>557,408</u>	<u>571,058</u>
Plant, Furniture and Equipment	2,665,704	2,546,297
Less: Accumulated Depreciation	2,245,573	2,093,841
	<u>420,131</u>	<u>452,456</u>
Motor Vehicles	1,179,594	1,145,063
Less: Accumulated Depreciation	457,818	437,806
	<u>721,776</u>	<u>707,257</u>
Total Written Down Value	<u>2,068,222</u>	<u>2,106,686</u>

FIJI MEAT INDUSTRY BOARD

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 PROPERTY, PLANT AND EQUIPMENT (continued)

Cost	Land, yard and roadways \$	Building \$	Plant, furniture and Equipment \$	Motor Vehicles \$	Total \$
At 1 January 2014	671,793	1,381,778	2,546,297	1,145,063	5,744,931
Additions	3,042	11,083	119,407	149,565	283,097
Disposals*				(115,034)	(115,034)
Adjustment					
At 31 December 2013	674,835	1,392,861	2,665,704	1,179,594	5,912,994
Accumulated depreciation					
At 1 January 2014	295,878	810,720	2,093,841	437,806	3,638,245
Depreciation	10,050	24,733	151,732	135,046	321,561
Disposals				(115,034)	(115,034)
At 31 December 2014	305,928	835,453	2,245,573	457,818	3,844,772
Carrying amount					
At 31 December 2014	368,907	557,408	420,131	721,776	2,068,222
At 31 December 2013	375,915	571,058	452,456	707,257	2,106,686

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
11 PAYABLES		
Trade Creditors	278,953	98,123
Other Creditors and accruals	63,885	145,145
	<u>342,838</u>	<u>243,268</u>
12 INTEREST BEARING BORROWING		
(a) Current		
Term loan - Bred Bank	144,000	156,000
	<u>144,000</u>	<u>156,000</u>
(b) Non Current		
Term loan - Bred Bank	847,084	918,824
	<u>847,084</u>	<u>918,824</u>
In November 2013, the Board refinanced its term loan with Fiji Development Bank to Bred Bank. Security given to Bred Bank comprises of first mortgage over CL 167924 (Lot 5 on DP 6566, Lot 1 & 2 on DP 7723) with improvements thereon. Interest on the loan with Bred Bank is charged at a rate of 5.75% per annum.		
13 DEFERRED CAPITAL GRANTS		
Opening balance	508,300	322,000
Additions	-	333,500
Released to income	(147,200)	(147,200)
Closing balance	<u>361,100</u>	<u>508,300</u>

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

14 RELATED PARTY TRANSCATION

(a) Directors

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

Timothy Brown (Chairman)
 Sevuloni Debalevu
 Simon Cole
 Elizabeth Talica
 Martin Compain
 Permanent Secretary for Agriculture
 Permanent Secretary for Health
 Permanent Secretary for Public Enterprises
 Permanent Secretary for Finance

The names of persons who were key management personnel at any time during the financial year are as follows:

Steven Ting	-	Chief Executive Officer
Vimal Chand	-	General Manager Finance and Corporate Services
Salesh Chandra	-	Manager Vuda Abattoir
Shareen Sharma	-	HR Executive/PA to CEO

(b) Transactions with related parties

Transactions with related parties during the year ended 31 December 2014 with approximate transaction values are summarized below.

	2014	2013
	\$	\$
Directors fees	33,500	32,500

(c) Key management personnel

Remuneration of key personnel	191,754	142,484
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FIJI MEAT INDUSTRY BOARD**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014****15 OPERATING LEASE COMMITMENTS**

The Board has a lease agreement with the Government of the Republic of Fiji to lease Lot 1 on plan DP4788 Wainibuka, Naitasiri. The terms of the lease agreement is for a period of 99 years ending on 1 July 2075. Under the agreement, rent is payable at the rate of \$6,095 per annum.

The Board has a lease agreement with the i-taukei Land Trust Board to lease Lot 2 of Plan S. 0132 at Naciriyawa, Vuda, Ba. The terms of the lease agreement is for a period of 75 years ending on 1 January 2057. Under the agreement, rent is payable at the rate of \$16,349 per annum.

Analysis of lease commitments

Future minimum lease payable under non-cancellable operating leases as at 31 December are, as follows:

	2014	2013
	\$	\$
Minimum lease payments under operations leases recognized as an expense during the year	22,444	16,250
Payable not later than 1 year	22,444	16,250
Payable later than 1 year but not later than 5 years	112,220	81,250
Payable later than 5 years	917,694	647,050
	<u>1,052,358</u>	<u>744,550</u>

16 CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2014 (2013: Nil).

17 CONTINGENT LIABILITIES/GUARANTEES

- (a) An employment grievance matter is with the Employment Tribunal. The Board is represented by O'Driscoll & Co. Atunaisa Maitoga was terminated following suspension from service on 11 March 2010. He was alleged for consuming alcohol on the premises during his shift and discharged duties before end of his shift without following proper procedures. Atunaisa reported the matter to Ministry of Labour and a mediation session was attended by both parties. The matter was referred to Employment Relations Tribunal. This case has not been finalized yet. The contingent liability which may arise is \$12,000.
- (b) Bank guarantee (ANZ) of \$13,000 as security deposit with the Fiji Electricity Authority.
- (c) A total of \$23,557 was misappropriated by the cashier in year 2010. This staff was terminated and the case was reported to police. Since then this matter has been with the court and FMIB is awaiting the court verdict. This amount will be claimed from the insurance company once the case is finalised.

FIJI MEAT INDUSTRY BOARD

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014**

18 SUBSEQUENT EVENTS

In 2014 Cabinet approved the sale of the one acre land of Fiji Meat Industry Board property at Nakasi to the Ministry of Health at the selling price of \$350,000. The National Fire Authority and Fiji Police Force has also shown their interest to purchase a similar portion of land for their respective use. Apart from this, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Board, the results of those operations or the state of affairs of the Board in the subsequent financial period.

19 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the board of directors and authorized for issue on 14 of December 2015.

20 REGISTERED OFFICE

The registered office for the Fiji Meat Industry Board is:

Adi Lady Davila road
9 1/2 Miles
Nasinu, Fiji

The Board is a statutory body established by an act of Parliament and is governed under the Ministry of Agriculture.

DIRECTORS

Timothy Brown - Chairman

Sevuloni Debalevu

Simon Cole

Martin Compain

Elizabeth Talica

PS Ministry of Agriculture

PS Ministry of Public Enterprises

PS Ministry of Health

PS Ministry of Finance

BANK

ANZ Bank

GPO Box 179, Suva

25 Victoria Parade,

Suva

AUDITOR

Auditor General of Fiji

8th Floor, Ratu Sukuna House

Suva

LAWYER

O'Driscoll Lawyers

22 Carnarvon ST,

Suva

REGISTERED OFFICE

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Adi Lady Davila Road

9 1/2 Miles

Nasinu



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