

ANNUAL REPORT 2019

FMIB

Fiji Meat Industry Board

Parliamentary no 39 of 2023

**Thank you for taking the time to read
our annual report for 2019.**

In this document you can find details
on our performance, key drivers and
metrics for our industry, and the
challenges we face.



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The Fiji Meat Industry Board was established and is governed by the Meat Industry Act 1969.

In September 2005, the Board was designated a Commercial Statutory Authority.

Over many decades, the FMIB has acted to support the meat industry by acting as a wholesaler and retailer, purchasing from farmers across Fiji, then selling to retailers and conducting retail sales independently.

Our functions are to:

- Construct and operate public slaughtering facilities.
- Take steps for the expansion, preservation, and protection of the meat industry in Fiji.
- Deal, purchase, or trade in livestock, meat, and its byproducts.



Over many years, the FMIB has acted to support the meat industry, purchasing from farmers across Fiji, providing reliable slaughter services and sales at great prices.

Our Mission

FMIB is committed to providing slaughtering service in facilities that are internationally benchmarked for safety, hygiene and quality.

FMIB will respond to the needs of diverse markets through humane practises, 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.

Our Vision & Values

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

- Customer Focus
- Team Work
- Honesty
- Accountability
- Result Oriented
- Compliance with Relevant Meat Standards
- Innovation

43 **Years in Operation**
Our experience means we deliver quality.

83 **Professional Staff**
Without our staff, we wouldn't be able to achieve our goals.

+ **Many Happy Customers**
We pride ourselves in providing the best service.

2019 was a year of good growth for FMIB.



Joann Young
Fiji Meats Industry Board Chair

The Board's operations were not substantially affected over the financial year and we realised gains for most of our commodities.

The next few pages will demonstrate our performance and highlights over 2019.

FMIB's slaughter statistics recorded moderate growth, with the exception of sheep, which fell due to less production over the year. The decline in livestock numbers over 2018 saw some recovery, which directly resulted in a growth of slaughter rates. While we are still not able to slaughter at full capacity, progress has been made to reach this goal.

Our major challenges in 2018 continued through 2019, with some easement observed as a result of prudent management and planning.

Finally, our continued efforts to manage operations efficiently and provide premium prices to local suppliers have ensured that we continue to stimulate industry growth while minimising resource leakage.

The Board collectively shares in my sentiment - we look forward to another year of strong growth and thank our hard working staff and management for another good year.



Insights from our CEO



Vimal Chand
Chief Executive Officer

2019 brought many challenges and offered many opportunities for the FMIB, the most significant of which was the recording of peak numbers in some of our statistics.

All of our commodities, with the exception of sheep, performed admirably and saw increases across the board. Our Magiti section did well, with a 9.07% increase to \$1,485,802 worth of sales over the year.

Our “Target Performance Improvement” programme continued, assisting us with maximising operational performance. We aim to manage our resources sustainably, and while we continue to encounter challenges related to processing costs, we are confident in our ability to maintain resource levels.

2019 brought many challenges but was still a year of growth in which we recorded increases across many of our commodities.

2019 Summary

Goats were the fastest growing commodity, recording 8.60% growth in numbers, with pigs and cattle following at 4.73% and 3.00% respectively. Sheep, unfortunately, fell by 25.88%.

Pigs remained the top commodity, with the highest number of slaughter numbers, beating out the other three commodities combined at 61.43% of total slaughter numbers.

However, slaughter numbers do not often positively correspond with weight. Despite the strong pig slaughter numbers, slaughter weight was 31.86% of total slaughter weight. This marked a modest 1.04% increase over 2018.

In contrast to pigs, only 9062 cows were slaughtered over the year, making up 33.99% of total slaughter numbers. However, this made up the most significant portion of total slaughtered weight at 67.70%. Compared to 2018, this marked a minor decrease of 0.94%.

Goat and sheep combined represented 4.58% of total slaughter numbers, falling by 0.36% from 2018.

The number of cattle slaughtered increased over 2018 numbers by 3.00%, increasing by 264 carcasses to 9062 in 2019. Total slaughtered weight increased over 2018 by 4.73%, increasing by 740 tonnes to 16,376 tonnes in 2019.

Our collaboration with the Ministry of Agriculture should see us raise those numbers higher over the coming years.

We work with stakeholders to incentivise beef farming by providing access to long-term leases, low interest rates on borrowed capital, improved genetics and accessibility to fencing material in conjunction with stakeholders.

The Board continues in its support of the Ministry of Agriculture with the slaughtering of sick cattle, infected with tuberculosis, to prevent the disease spreading to other cattle and humans.

The number of goats slaughtered increased over 2018 numbers by 8.60%, increasing by 70 carcasses to 884 in 2019. Total slaughtered weight increased over 2018 by 3.00%, increasing by 0.3 tonnes to 10.30 tonnes in 2019.

The number of sheep slaughtered decreased over 2018 numbers by 25.88%, decreasing by 118 carcasses to 338 in 2019. Total slaughtered weight decreased over 2018 by 48.94%, decreasing by 3.45 tonnes to 3.6 tonnes in 2019.

The livestock unit is tasked with raising cattle on its farm using good husbandry practices such as castration, dehorning, and drenching. The unit supports local farmers by liaising with farmers who want to sell their livestock to the abattoir and purchasing pregnant and underweight cattle on a live weight basis.

These cattle are held at the Nasinu Abattoir until calving or until they are ready for slaughter.



Cattle

The number of cattle slaughtered grew by 3.00%, increasing by 264 carcasses to 9019 in 2019. Total slaughtered weight grew by 4.73%, increasing by 740 tonnes to 16,376 tonnes in 2019.



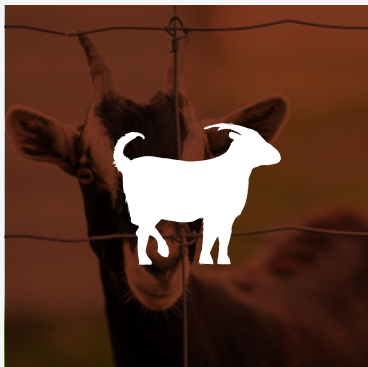
Pig

The number of sheep slaughtered grew by 4.73%, increasing by 740 carcasses to 16376 in 2019. Total slaughtered weight grew by 5.17%, increasing by 50 tonnes to 1018 tonnes in 2019.



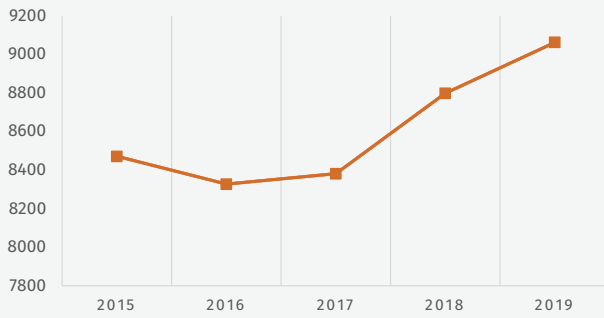
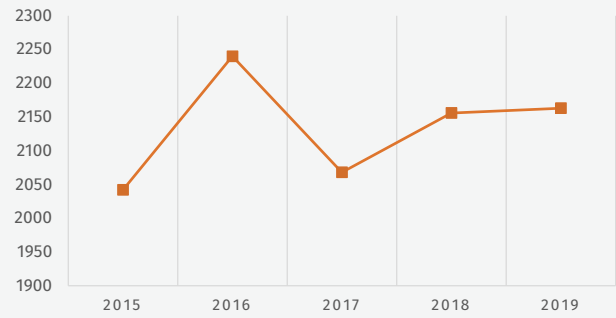
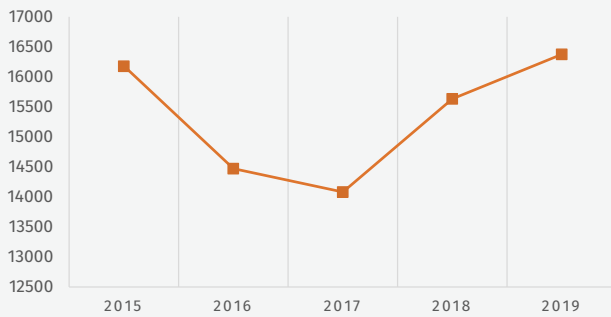
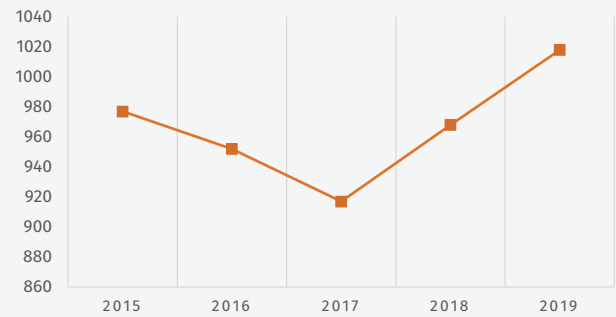
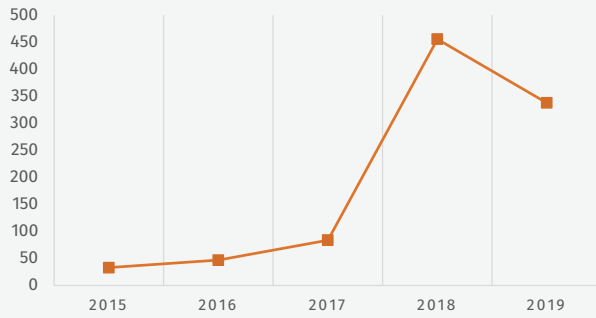
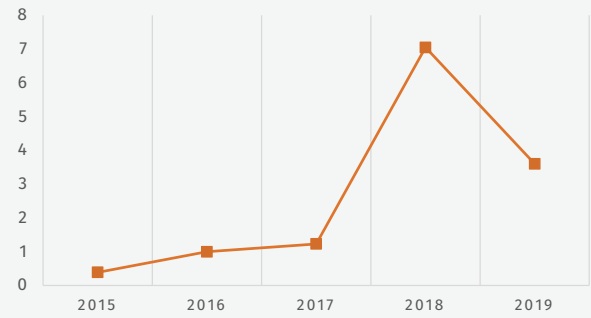
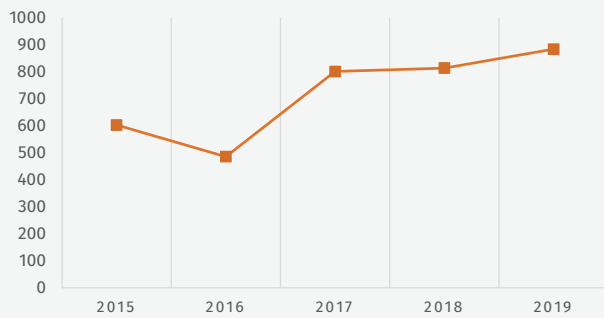
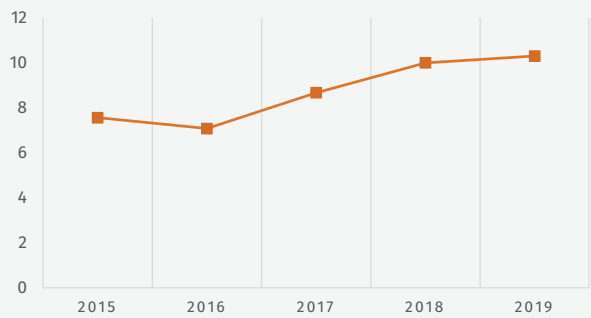
Sheep

The number of sheep slaughtered fell by 24.88%, decreasing by 118 carcasses to 338 in 2019. Total slaughtered weight fell by 48.94%, decreasing by 3.45 tonnes to 3.6 tonnes in 2019.



Goat

The number of goats slaughtered grew by 8.60%, increasing by 70 carcasses to 884 in 2019. Total slaughtered weight grew by 3.00%, increasing by 0.3 tonnes to 10.30 tonnes in 2019.

NUMBER SLAUGHTERED**WEIGHT****NUMBER SLAUGHTERED****WEIGHT****NUMBER SLAUGHTERED****WEIGHT****NUMBER SLAUGHTERED****WEIGHT**

Quality Assurance

The quality assurance team ensures that only the best meat reaches customers, both locally and abroad. The team is responsible for controlling operational food safety hazards, ensuring that the meat we produce is safe for human consumption. The team also has a customer-facing role in that it handles customer complaints, feedback, and queries.

The quality assurance team establishes, documents, and maintains procedures to ensure that all of FMIB's production can be traced back to its source if a need arises, such as in the case of detection of sick livestock.

The quality assurance team finally handles all monitoring of slaughtering, cleaning, and delivery procedures, with all data collected for analysis and audit.

Compliance

All of our products are produced in compliance with the Food Safety Act 2009, with all monitoring requirements fulfilled right to the delivery of products to clients.

The Board and Ministry of Agriculture work together to enforce a ban on the slaughtering of female cattle. The only exception

to this ban is female cattle that are unsuitable for breeding, however, they may only be slaughtered with the approval of the Ministry.

The Board ensures monitoring of disease and illness amongst livestock is performed in line with standard operating procedures to ensure the health and safety of all customers and employees.

There needs to be improvements carried out on the Abattoir. This is due to the fact that there are now new legislations and requirements on food handling, security and hygiene.

This affects the company's ability to enter and penetrate new markets like the tourism industry and large restaurants. The demand for high quality beef is still being met by importation from producers overseas.

Human Resources

We do our best to maintain a happy and productive workplace. The Board's values are at the core of all we do.

The total number of employees at the end of 2019 was 83 employees, amounting to a loss of one employee over the year.

Finance

The 2019 financial year was inspirational for FMIB as increase in slaughter numbers were recorded from past 4 years which brought slight increase to our revenue. The Board also reduced its operating cost with stringent control measures leading to decrease in net loss for the year to (162,941) compared to (305,754) loss in 2018. The reduction in loss for the year also improved the cash flow position of the Board with a current ratio of 2.17:1. The Board's debt level is also minimal with a ratio of 0.04:1. Overall the Board performed well financially as it was able to meet up the financial obligations and ensure that the business is running as a going concern.



Financial Report 2019

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FIJI MEAT INDUSTRY BOARD
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019, 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.

Ms Joann Young	<i>Chairperson</i>	<i>Current</i>
Mr Joel Abraham	<i>Deputy Chairperson</i>	<i>Current</i>
Mr David Kolitagane	<i>Member</i>	<i>Resigned on 22 May 2021</i>
Mr Kenneth Cokanasiga	<i>Member</i>	<i>Current</i>
Mrs Shandya Gounder Pillay	<i>Member</i>	<i>Current</i>
Ms Kamni Naidu	<i>Member</i>	<i>Current</i>

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 loss for the year of \$162,941 (2018: Loss \$305,754).

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 2019.

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.

**FIJI MEAT INDUSTRY BOARD
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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.

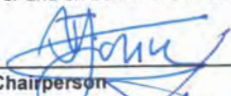
These financial statements for the year ended 31 December 2019 has been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

12. Events subsequent to balance date


- (a) On 25 April 2021, the Government announced a number of measures including lockdown of certain containment areas within the country in response to the 2nd wave of COVID-19 outbreak in Fiji. Under the lockdown restrictions, all non-essential businesses were required to be closed unless the workplace was deemed part of a permitted essential industry as set out by the Ministry of Health and the Ministry of Commerce Trade Tourism and Transport. Since FMIB fell under essential business, it was operating on reduced hours throughout the lockdown period. The introduction of these restrictions have not had a material effect on the Board's Financial Statements as at 31 December 2019. However, prolonged effects of COVID-19 pandemic may have slight impact on the revenues in the financial year 2020 and beyond.

- (b) Apart from the exceptions above, no other matters or circumstances have arise since the end of the financial year which significantly affected or may significantly affect the operations of the Board, the results or cash flows of those operations, or the state of affairs of the Board in future financial years.

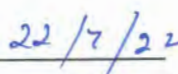
For and on behalf of the Board.



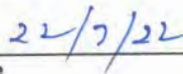
Chairperson



Director



Date




Date

FIJI MEAT INDUSTRY BOARD
STATEMENT BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019;
- (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 2019;
- (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 2019;
- (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 2019;
- (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.

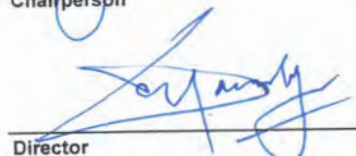
For and on behalf of the Board.



 Chairperson

22/7/22

 Date



 Director

22/7/22

 Date

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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INDEPENDENT AUDITORS REPORT

Fiji Meat Industry Board

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Fiji Meat Industry Board ("the Board"), which comprise the statement of financial position as at 31 December 2019, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at 31 December 2019, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs").

Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Board in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 20 of the financial statements which discloses the novel coronavirus (COVID-19) global pandemic impact subsequent to 31 December 2019. The Board anticipated that the impact of the COVID-19 pandemic on amounts and estimates reported or used in the preparation of 2019 financial statements is not expected to be material, hence have not made any adjustment to the 2019 financial statements.

My opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the Annual report but does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is

materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Responsibilities of the Management and Directors for the Financial Statements

The Management and Directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and for such internal control as the management and directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and Directors are responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Board or to cease operations, or have no realistic alternative but to do so.

The Management and Directors are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Management's and Directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements (con't)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Management and Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Meat Industry Act 1969 and Public Enterprise Act 2019 in all material respects, and;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Board has kept financial records sufficient to enable the financial statements to be prepared and audited.



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
27 July 2022

FIJI MEAT INDUSTRY BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
Revenue			
Operating Income	4	3,206,872	3,242,818
Release of deferred income	14	120,974	114,570
Other Income	5(a)	456,963	323,642
Total Revenue		3,784,809	3,681,030
Less:			
Changes in inventories - finished goods		(1,050,553)	(944,076)
Raw materials and consumables used		(175,167)	(212,440)
Staff costs		(1,016,861)	(1,037,531)
Depreciation expense		(312,616)	(310,167)
Other operating expenses	5(b)	(1,349,016)	(1,424,840)
Loss from operations		(119,404)	(248,024)
Finance Cost	5(c)	(43,537)	(57,730)
Net loss		(162,941)	(305,754)
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(162,941)	(305,754)


The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 - 23.

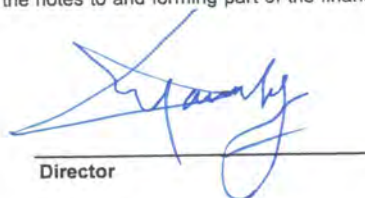
FIJI MEAT INDUSTRY BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
Current assets			
Cash & cash equivalents	6	644,001	478,128
Held - to - Maturity Investment	7	201,957	201,957
Receivables	8	293,582	693,725
Inventories	9	60,521	82,189
		<u>1,200,061</u>	<u>1,455,999</u>
Non-current assets			
Property, plant and equipment	10	1,756,079	1,903,414
Investment Property	11	31,900,000	-
		<u>33,656,079</u>	<u>1,903,414</u>
Total Assets		<u>34,856,140</u>	<u>3,359,413</u>
Current liabilities			
Payables	12	146,458	177,169
Interest bearings borrowings	13 (a)	144,000	147,870
Deferred income - current	14	120,974	114,570
Provision for annual leave		66,303	46,316
Income received in advance	15	75,527	100,000
		<u>553,262</u>	<u>585,925</u>
Non Current Liabilities			
Interest bearing borrowings	13 (b)	349,595	459,786
Deferred income - non current	14	370,582	468,060
		<u>720,177</u>	<u>927,846</u>
Total Liabilities		<u>1,273,439</u>	<u>1,513,771</u>
NET ASSETS		<u>33,582,701</u>	<u>1,845,642</u>
Equity			
Retained earnings		33,582,701	1,845,642
TOTAL EQUITY		<u>33,582,701</u>	<u>1,845,642</u>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 - 23.

For and on behalf of the Board.


 Chairperson


 Director

FIJI MEAT INDUSTRY BOARD
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Opening Balance		1,845,642	2,151,396
Loss for the year		(162,941)	(305,754)
Adjustment to account for Investment Property	11	31,900,000	-
Closing Balance		<u>33,582,701</u>	<u>1,845,642</u>

FIJI MEAT INDUSTRY BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		4,070,382	3,486,808
Payments to suppliers, creditors and employees		(3,581,630)	(3,415,816)
Interest and Finance costs paid		(43,537)	(57,730)
Net cash provided by operating activities		445,215	13,262
Cash flows from investing activities			
Payments for plant and equipment		(165,281)	(573,444)
Receipts from Government - Purchase of Assets		-	409,700
Proceeds from sale of plant and equipment		-	-
Net cash provided by/ (used) in investing activities		(165,281)	(163,744)
Cash flows from financing activities			
Net (repayments) of long term loan		(114,061)	(151,682)
Net Cash provided by financing activities		(114,061)	(151,682)
Net (decrease)/increase in cash		165,873	(302,164)
Cash and cash equivalents at the beginning of the year		478,128	780,292
Cash and cash equivalents at the end of the financial year	6	644,001	478,128

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 - 23.

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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. BASIS OF PREPARATION

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.

Statement of Compliance

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.

Government Grants

Section 24 Government Grants - this section requires an entity to recognise government grants according to the nature of the grant:

A grant that does not impose specified future performance conditions on the recipient is recognised in income when the grant proceeds are receivable;

A grant that imposes specified future performance conditions on the recipient is recognised in income only when the performance conditions are met; and

Grants received before the income recognition criteria are satisfied are recognised as a liability and released to income when all attached conditions have been complied with.

Judgments, 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.

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

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 Inventory

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.

3.5 Trade and Other Payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. These amounts 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.

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (con't)

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.

3.11 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.

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (con't)

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.

3.14 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.

FIJI MEAT INDUSTRY BOARD
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

4	SEGMENT INFORMATION	Notes		
	a) Primary reporting - Business Segments			
			2019	2018
			\$	\$
	<u>Revenue</u>			
	Abattoir		1,685,449	1,867,407
	Magiti		1,485,802	1,362,275
	Other		35,621	13,136
			<u>3,206,872</u>	<u>3,242,818</u>
	 Results			
	Abattoir		1,672,684	1,875,729
	Magiti		452,313	414,931
	Other		31,322	8,081
			<u>2,156,320</u>	<u>2,298,741</u>
	Unallocated Revenue		577,937	438,212
	Unallocated Expenses		(2,853,660)	(2,984,978)
	Unallocated Finance costs		(43,537)	(57,730)
	Net Profit/ (Loss)		<u>(162,941)</u>	<u>(305,755)</u>
	 Segment Assets			
	Abattoir		33,656,079	1,903,414
			<u>33,656,079</u>	<u>1,903,414</u>
5	OTHER REVENUE AND EXPENSES			
(a)	Other Income			
	Interest		7,259	6,961
	Ministry of Agriculture - slaughtering fees for tuberculosis cattles	15	100,000	50,000
	Miscellaneous revenue		349,704	266,681
			<u>456,963</u>	<u>323,642</u>

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

(b) Other operating expenses	2019	2018
	\$	\$
Professional Fees	4,404	2,167
Honarium Board Allowance	3,932	21,197
Rates	37,773	39,778
Chemicals	31,353	21,727
Insurance	61,157	66,352
Slaughtering Fees	84,056	76,096
Utility Chargers	329,339	346,582
Operation and Maintenance	367,579	450,675
Other operating costs	429,423	400,266
	1,349,016	1,424,840
(c) Finance Cost		
Interest on bank loan	37,457	51,347
Bank Charges	6,080	6,383
	43,537	57,730

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	644,001	478,128
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The following bank and cash accounts are held by the Board:

ANZ Operating Account	80,147	31,558
Bred Bank Account	490,334	364,582
ANZ - Reimbursement of TB Account	71,019	79,488
Petty Cash Accounts	2,500	2,500
	644,001	478,128

Included in the total cash on hand and at bank above is an amount of \$71,019 of cash that is not available for use except for the purpose of facilitating the payment to farmers as compensation for the slaughter of Tuberculosis cattle.

FIJI MEAT INDUSTRY BOARD
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

7	HELD-TO-MATURITY INVESTMENTS	2019	2018
		\$	\$
	Term deposits - Merchant Finance	<u>201,957</u>	<u>201,957</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	RECEIVABLES		
	Trade debtors	310,385	693,793
	Less: Provision for doubtful debts	(46,585)	(25,000)
		<u>263,800</u>	<u>668,793</u>
	Other receivables	29,782	24,932
		<u>293,582</u>	<u>693,725</u>
9	INVENTORY		
	Raw materials	31,565	37,584
	Finished goods	26,304	37,654
	Livestock	2,651	6,951
		<u>60,521</u>	<u>82,189</u>
10	PROPERTY, PLANT AND EQUIPMENT	2019	2018
		\$	\$
(a)	Property, plant and equipment are included in the accounts on the following basis:		
	Leasehold, Yards & Roadways:		
	<u>Cost</u>		
	Balance at 01 January 2019	669,245	678,661
	Additions	-	-
	Disposals	-	(9,416)
	Revaluation Gain	-	-
	Balance at 31 December 2019	<u>669,245</u>	<u>669,245</u>
	<u>Depreciation & Impairment</u>		
	Balance at 01 January 2019	336,413	326,481
	Depreciation Charge	9,932	9,932
	Disposal Depreciation	-	-
	Balance at 31 December 2019	<u>346,345</u>	<u>336,413</u>
	<u>Net Book Value</u>		
	Balance at 31 December 2019	<u>322,900</u>	<u>332,832</u>

FIJI MEAT INDUSTRY BOARD
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

10	PROPERTY, PLANT AND EQUIPMENT (continued)	2019	2018
		\$	\$
	Buildings:		
	<u>Cost</u>		
	Balance at 01 January 2019	1,398,986	1,401,148
	Additions	8,853	1,697
	Disposals	-	(3,859)
	Revaluation Gain	-	-
	Balance at 31 December 2019	1,407,839	1,398,986
	<u>Depreciation & Impairment</u>		
	Balance at 01 January 2019	927,044	905,323
	Depreciation Charge	22,505	21,721
	Disposal Depreciation	-	-
	Balance at 31 December 2019	949,549	927,044
	<u>Net Book Value</u>		
	Balance at 31 December 2019	458,290	471,942
	Plant, Furniture and Equipment:		
	<u>Cost</u>		
	Balance at 01 January 2019	2,950,555	3,095,863
	Additions	59,899	287,264
	Disposals	-	(468,101)
	Revaluation Gain	-	-
	Balance at 31 December 2019	3,010,454	2,915,026
	<u>Depreciation & Impairment</u>		
	Balance at 01 January 2019	2,346,361	2,200,422
	Depreciation Charge	174,139	145,939
	Disposal Depreciation	-	-
	Balance at 31 December 2019	2,520,500	2,346,361
	<u>Net Book Value</u>		
	Balance at 31 December 2019	489,954	568,665
	Motor Vehicles:		
	<u>Cost</u>		
	Balance at 01 January 2019	1,417,290	1,143,830
	Additions	41,735	282,569
	Disposals	-	(9,109)
	Revaluation Gain	-	-
	Balance at 31 December 2019	1,459,025	1,417,290

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

10	PROPERTY, PLANT AND EQUIPMENT (continued)		
		2019	2018
	Depreciation & Impairment	\$	\$
	Balance at 01 January 2019	887,315	755,200
	Depreciation Charge	106,020	132,115
	Disposal Depreciation	-	-
	Balance at 31 December 2019	993,335	887,315
	Net Book Value		
	Balance at 31 December 2019	465,690	529,975
	WIP	19,243	-
	Total Written Down Value	1,756,079	1,903,414
11	INVESTMENT PROPERTY		
	Leasehold Land	31,900,000	-
	On 3rd June 2019, the Board's leasehold land were independently valued by Professional Valuations Limited and subsequently valued at \$31.9m. Section 16 of IFRS for SMEs recognises that the land will be used for capital appreciation and earning rental income in the future.		
12	PAYABLES		
	Trade Creditors	84,666	95,949
	Other Creditors and accruals	61,792	81,220
		146,458	177,169
13	INTEREST BEARING BORROWING		
(a)	Current		
	Term loan - Bred Bank	144,000	144,000
	Merchant Finance loan	-	3,870
		144,000	147,870
(b)	Non Current		
	Term loan - Bred Bank	349,595	459,786
		349,595	459,786
	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.		
14	DEFERRED CAPITAL GRANTS		
	Opening balance	582,630	287,500
	Additions	29,900	409,700
	Released to income	(120,974)	(114,570)
	Closing balance	491,556	582,630
	Classified as follows:		
	Current	120,974	114,570
	Non Current	370,582	468,060

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

15 INCOME RECEIVED IN ADVANCE

	2019	2018
	\$	\$
Income received in advance	75,527	100,000

The Ministry of Agriculture provided a grant of \$150,000 in advance to FMIB as a revolving fund to facilitate payment to farmers as compensation for slaughter of cattles infected with TB.

As at 31 December 2019, the Board utilized \$74,473 as compensation to farmers and the remaining \$75,527 balance is recognized as income received in advance which would be paid to farmers in 2020. Utilization of funds in 2019 received in 2018 is realized as income in 2019. \$100,000 was realized in 2019 (Note 5a)

16 RELATED PARTY TRANSACTIONS

(a) Directors

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

Ms Joann Young - (Chairperson)
 Mr Joel Abraham - (Deputy Chairperson)
 Mr David Kolitagane (resigned)
 Mr Kenneth Cokanasiga
 Mrs Shandya Gounder Pillay
 Ms Kamni Naidu

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

Steven Ting	-	Former Chief Executive Officer
Vimal Chand	-	Acting Chief Executive Officer
Armogam Mudliar	-	Manager Vuda Abattoir
Salesh Chandra	-	Manager Suva Abattoir

(b) Transactions with related parties

Transactions with related parties during the year ended 31 December 2019 with approximate transaction values are summarized below.

	2019	2018
	\$	\$
Directors fees	33,500	21,197
Ministry of Public Enterprise	29,900	409,700
Ministry of Agriculture	150,000	150,000

(c) Key management personnel

Remuneration of key personnel	182,231	201,920
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FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

17 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 \$5,300 per annum.

The Board has a lease agreement with the i-taukei Land Trust Board to lease Lot 2 of Plan S. 0132 at Naciriya, 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 \$16,100 per annum.

Analysis of lease commitments

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

	2019	2018
	\$	\$
Minimum lease payments under operations leases recognized as an expense during the year	21,400	22,444
Payable not later than 1 year	21,400	22,444
Payable later than 1 year but not later than 5 years	107,000	112,220
Payable later than 5 years	780,200	827,918
	<u>908,600</u>	<u>962,582</u>

18 CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2019 (2018: Nil).

19 CONTINGENT LIABILITIES/GUARANTEES

- (a) Bank guarantee (ANZ) of \$13,000 as security deposit with the Energy Fiji Limited
- (b) EFL security deposit in Merchant Finance worth \$23,738 for Energy Fiji Ltd

20 SUBSEQUENT EVENTS

- (a) On 25 April 2021, the Government announced a number of measures including lockdown of certain containment areas within the country in response to the 2nd wave of COVID-19 outbreak in Fiji. Under the lockdown restrictions, all non-essential businesses were required to be closed unless the workplace was deemed part of a permitted essential industry as set out by the Ministry of Health and the Ministry of Commerce Trade Tourism and Transport. Since FMIB fell under essential business, it was operating on reduced hours throughout the lockdown period. The introduction of these restrictions have not had a material effect on the Board's Financial Statements as at 31 December 2019. However, prolonged effects of COVID-19 pandemic may have slight impact on the revenues in the financial year 2020 and beyond.

- (b) Apart from the exceptions above, no other matters or circumstances have arise since the end of the financial year which significantly affected or may significantly affect the operations of the Board, the results or cash flows of those operations, or the state of affairs of the Board in future financial years.

FIJI MEAT INDUSTRY BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

21 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the board of directors and authorized for issue on _____ of May 2022.

22 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 under Section 8 of the Public Enterprise Act 2019 and is governed under the Ministry of Public Enterprise.

At balance date, the Board had a total of 83 employees (2018: 84 employees).

