

# Companies Office Investment Promotion Authority

## Form 22 | Annual return

Section 215(1), Companies Act 1997

### Notes

The information on this form must be either typewritten or printed legibly in BLOCK letters.

If there is insufficient space on the form to supply the information required, attach a separate sheet containing the information set out in the prescribed format.

Place barcode here

### Company name

### Company number

PBF AGRO-BUSINESS LIMITED

1-103358

### 1. Date of annual return

This must be a date within the month allocated by the Registrar for filing your annual return.

21/ 11 /2019

### 2. Date of the annual meeting held or deemed to be held

07/ 11 / 2019

### 3. Addresses

There are no changes in addresses (tick this box if applicable and skip to item 4).  
If there are changes to any addresses, provide the current information below.

#### Address of registered office

Provide the suburb, street name and number, or allotment and section number. The district and province must be stated. If at the premises of a firm or in a building the particulars must be provided. A PO box is not allowed. A village address is insufficient.

SECTION 3, ALLOTMENT 26, 6TH FLOOR, DEFENS HAUS, CORNER CHAMPION PARADE & HUNTER STREET, PORT MORESBY, NATIONAL CAPITAL DISTRICT, 121, PAPUA NEW GUINEA

District and Province: NATIONAL CAPITAL DISTRICT

#### Address for service

The address for service is the same as the registered office address  
or

The address for service is set out below.

Provide the suburb, street name and number, or allotment and section number. The district and province must be stated. If at the premises of a firm or in a building the particulars must be provided. A PO Box is not allowed. A village address is insufficient.

District and Province:

### Address for communications

This is the address to which communications from the Registrar will usually be sent.

PBF AGRO-BUSINESS LIMITED  
P O BOX 847, PORT MORESBY, NCD 121

District and Province: NATIONAL CAPITAL DISTRICT

### 4. Email address

This is the address which to which communications from the Registrar will be sent. An email is required in order to use the on-line filing services.

Email lstephens@mtsl.com.pg

### 5. Directors

#### Instructions for completing director information

1. If there are more than five existing directors please attach a separate sheet containing the information set out in the prescribed format. All names should be set out in BLOCK letters.
2. If there has been a change in directors (appointment or cessation) or a change in the details of an existing director, Form 16 must be submitted together with this annual return.
3. The following persons are confirmed as the directors of the company as at the date of the annual return:

Full legal name: JOHN IAN SANDAY  
25, NARAIN PLACE, SUVA, FIJI

Date of birth: 12/01/1960

Full legal name: LAWRENCE STEPHENS  
PORTION 504 GRANVILLE, SIR HUBERT MURRAY HIGHWAY, SAPPHIRE CREEK, CENTRAL PROVINCE

Date of birth: 01-10-1948

Full legal name:

Date of birth:

Full legal name:

Date of birth:

Full legal name:

Date of birth:

The following information relates to the shareholders of the company as at the date of the annual return.

If the company is subject to a listing agreement with a stock exchange or has 100 or more shareholders then this item 6 is not required to be completed, but in such case a Form 23 shall be submitted together with this annual return in respect of the ten largest shareholders.

Is the company submitting a Form 23?      Yes       No

**Instructions for completing shareholder information**

1. If there has been a change in shareholders (new share issuance or share transfer), then submit either Form 10 or Form 13, as applicable, with this annual return.
2. If there are more than four shareholders please attach a separate sheet containing the information set out in the prescribed format. All names should be set out in BLOCK letter format.
3. If the shareholder is a natural person, provide their first name followed by their surname. If the shareholder is a registered entity (such as another company) provide the entity name and registration number. If shares are jointly held, provide the particulars of each shareholder within a single box below.
4. If the shareholder is a natural person, provide their residential address. No address information is required if the shareholder is a registered entity.

Number of shares: <b>500,000</b>	Date(s) of Birth:
Name(s) of shareholder(s): <b>MELANESIAN TRUSTEE SERVICES LIMITED IN TRUST FOR PACIFIC BALANCE FUND</b>	Gender(s):
Registration number (if the shareholder is another registered entity): <b>1-38260</b>	Nationality(ies) of shareholder:
Address(es)(f the shareholder is a natural person):	

Number of shares:	Date(s) of Birth:
Name(s) of shareholder(s):	Gender(s):
Registration number (if the shareholder is another registered entity):	Nationality(ies) of shareholder:
Address(es)(f the shareholder is a natural person):	

Number of shares:	Date(s) of Birth:
Name(s) of shareholder(s):	Gender(s):
Registration number (if the shareholder is another registered entity):	Nationality(ies) of shareholder:
Address(es)(f the shareholder is a natural person):	

Number of shares:	Date(s) of Birth:
Name(s) of shareholder(s):	Gender(s):
Registration number (if the shareholder is another registered entity):	Nationality(ies) of shareholder:
Address(es) (if the shareholder is a natural person):	

## 6. Class of shares

Is there more than one class of shares for this company?

Yes

No

If yes, attach a separate sheet that sets out the particulars of the different classes of shares.

## 7. Secretary

If the company has a secretary, provide their name below. The Applicant attests that the person(s) shown as secretary has consented to act in this capacity.

If there has been a change in secretary (appointment or cessation) or a change in the details of an existing secretary, Form 21 must be submitted together with this annual return

**Note:** If there is more than one secretary please attach a separate sheet containing the information set out in the prescribed format. All names should be in BLOCK letter format.

Full legal name:	LAPO JOHN
Residential address:	SECTION 445, LOT 71, GARDEN HILLS, PORT MORESBY, NATIONAL CAPITAL DISTRICT
Postal Address:	P O BOX 847, PORT MORESBY, PAPUA NEW GUINEA
Nationality:	PAPUA NEW GUINEAN
Email address:	ljohn@pbfagro.com.pg

## 8. Audit Requirement

Since the last annual return or, in the case of the first annual return of a company incorporated under this Act, since the date of registration, the company's financial statements were required by this Act to be audited.

Yes

No

If the answer is "yes" then -

(a) Provide the name and address of the auditor:

Name of Auditor:	DFK MAYBERRY CHARTERED ACCOUNTANTS
Postal Address:	P O BOX 1929, PORT MORESBY, NATIONAL CAPITAL DISTRICT, PNG

(b) Submit a certified copy of the appropriate financial statements pursuant to Section 215(3) of the *Companies Act 1997* together with this annual return.

### 9. Solvency Test

The company satisfies the solvency test.

- Yes  
 No

### 10. Employees

Total number of full-time employees working for the company in Papua New Guinea that are citizens of Papua New Guinea as of the date of this annual return:

8

Total number of part-time employees working for the company in Papua New Guinea that are citizens of Papua New Guinea as of the date of this annual return:

1

Total number of full-time employees working for the company in Papua New Guinea that are not citizens of Papua New Guinea as of the date of this annual return:

NIL

Total number of part-time employees working for the company in Papua New Guinea that are not citizens of Papua New Guinea as of the date of this annual return:

NIL

### 11. Business Activity

The following is the principal activity of the company.

- |   |   |  |   |
|---|---|--|---|
| <input checked="" type="checkbox"/> Agriculture | <input type="checkbox"/> Manufacturing          | <input type="checkbox"/> Distribution                  | <input type="checkbox"/> Retail         |
| <input type="checkbox"/> Forestry               | <input type="checkbox"/> Tourism                | <input type="checkbox"/> Mining                        | <input type="checkbox"/> Oil and gas    |
| <input type="checkbox"/> Fisheries              | <input type="checkbox"/> Statutory company      | <input type="checkbox"/> Construction                  | <input type="checkbox"/> Transportation |
| <input type="checkbox"/> Entertainment/catering | <input type="checkbox"/> Telecommunication      | <input type="checkbox"/> Professional & other services |   |
| <input type="checkbox"/> Financial Institution  | <input type="checkbox"/> Information technology | <input type="checkbox"/> Other                         |   |

### 12. Declaration and authorised signature

The annual return must be signed by a director or a person authorized by the Board to submit the annual return.

By signing this annual return, the signor declares that the company's board of directors adopts the contents of this annual return, and all information on this form is true and correct, and any document submitted with this form is a true and correct copy of the original document.

Signature ..... 

Name LAWRENCE STEPHENS

Print name in BLOCK letters

### 13. Lodged by

Name: LAWRENCE STEPHENS
Address: P O BOX 847, PORT MORESBY, NCD

Telephone: 321 0560 / 321 0561
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Email (optional): lstephens@mtsl.com.pg
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### 14. Checklist

- If any changes have occurred to the particulars of directors, shareholders or secretaries, the applicable Forms must be submitted with this annual return.
- If applicable, financial statements may be required to be submitted with this annual return. The prescribed fee of **K1000.00** must accompany this form and the financial statement. A prescribed fee of **K750.00** is payable if lodged through the Online Registry Service. Please make cheques payable to *'Registrar of Companies'*.
- The prescribed fee of **K500** must accompany this form for companies' other than public companies. A prescribed fee of **K400.00** is payable if lodged through the online Registry Service. Please make cheques payable to *'Registrar of Companies'*.

CERTIFICATE PURSUANT TO SECTION 9 OF THE COMPANIES REGULATIONS

"b"

FINANCIAL STATEMENT FOR YEAR ENDED  
31 DECEMBER 2018

"This is the annexure of 17 page(s) marked "b" referred to in the Form 22 signed by **Lawrence Stephens, the Company Director**, dated **14 August 2020**, and declare that I have compared the copy with the Original and that it is a true copy of the Document."



Title: Director

**9. CERTIFICATE OF DOCUMENTS**

- (1) A Copy of a document to be submitted to the Registrar shall be certificate by a person who is able to declare that he has compared the copy with the original document and that it is a true copy of that document.
- (2) An annexure to a form, or a document submitted with a form, must –
  - (a) have an identifying mark;
  - (b) be endorsed with the following words:-

"This is the annexure of *(insert the number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert a description of the form)* signed by *(insert the name of the each person signing the form)* and dated *(insert the date of signing)*.", and
  - (c) be signed by each person signing the form to which the document is annexed; and
  - (d) have each page numbered consecutively.





# **PBF Agro Business Limited**

**Company No.:1-103368**

## **Financial Statements**

**For the Year Ended 31 December 2018**

**PBF Agro Business Limited**

Company No. 11-983368

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**PBF Agro Business Limited**

Company No.:1-109358

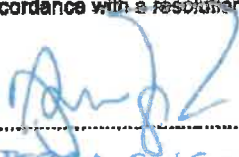
**Directors' Report**

**31 December 2018**

**Financial statements**

The financial statements comprise the statements of financial position, comprehensive income, changes in equity and cash flows and the notes to the financial statements. The Directors consider that there are no abnormal items or unusual matters that warrant their comments, which are not disclosed in these financial statements.

Signed in accordance with a resolution of the Board of Directors:

Director:   
.....  
JERRY SINGIROK

Director:   
.....  
LAURENCE STEPPIENS

Dated this 01 day of APRIL 2020

## **PBF Agro Business Limited**

Company No.:1-190368

### **Directors' Report**

**31 December 2018**

The directors present their report on PBF Agro Business Limited for the financial year ended 31 December 2018.

#### **Information on directors**

The names of each person who has been a director during the year and to the date of this report are:

John Ian Nasson Sandey

Arthur Rarikua Vera resigned 2 July, 2018

Kennedy Wernin resigned 2 July, 2018

Warwick George Vele resigned 2 July, 2018

Joshua Bakris resigned 2 July, 2018

Rex Paki resigned 2 July, 2018

Jerry Kootz Simon resigned 2 July, 2018

Lawrence Stephens appointed 2 July, 2018

Mark Sakel appointed 1 April, 2018

Jerry Singrok appointed 19 December, 2018

#### **Principal activities**

The principal activity of PBF Agro Business Limited during the financial year was that of investment in the agricultural sector in Papua New Guinea.

No significant changes in the nature of the Company's activity occurred during the financial year.

#### **Operating results**

The loss of the Company after providing for income tax amounted to K(1,978,834) (2017 loss: PGK (997,164)).

#### **Dividends paid or recommended**

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

#### **Events after the reporting date**

The Company's ultimate parent entity, Melanesian Trustee Service Limited (MTSL), has entered into an agreement for the purchase of parcels of land, with the intention that the value of the land will be transferred to Company when transfer of titles is completed. The process of transferring land titles has been occurring since the end of the financial year with 40 of 44 titles transferred.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

#### **Auditor**

The financial statements have been audited by DFK Mayberry, Chartered Accountants, and should be read in conjunction with the independent Audit Report.

**PBF Agro Business Limited**

Company No.:1-103350

**Directors' Declaration**

The directors of the Company declare that:

1. The financial statements and notes for the year ended 31 December 2018 are in accordance with the Papua New Guinea Companies Act 1997, including compliance with International Accounting Standards giving a true and fair view of the financial position and performance of the company; and
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....  
  
JERRY SINGIROK

Director .....  
  
LAWRENCE STEPHENS

Dated this 01 day of APRIL 2020

**PBF Agro Business Limited**

Company No. 1-193388

**Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 31 December 2018**

		2018	2017
	Note	PGK	PGK
Sales revenue		-	-
Other income	3	54,000	-
Administrative expenses	4	(659,963)	(522,851)
Marketing expenses		(154,457)	-
Staff costs		(1,023,344)	(443,659)
Other expenses	4	(192,870)	(30,854)
Profit/(loss) before income tax		(1,976,634)	(997,164)
Income tax expense	5	-	-
Profit/(loss) for the year		<u>(1,976,634)</u>	<u>(997,164)</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		<u>(1,976,634)</u>	<u>(997,164)</u>

The accompanying notes form part of these financial statements.

**PBF Agro Business Limited**

Company No.:1-103368

**Statement of Financial Position**

31 December 2018

	Note	2018 PGK	2017 PGK
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	237,447	355,367
Trade and other receivables	7	147,771	49,094
Inventories		54,300	-
Other assets	10	13,906	5,492
<b>TOTAL CURRENT ASSETS</b>		<b>453,424</b>	<b>409,953</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	8	304,957	312,146
Property, plant and equipment	9	1,481,907	72,261
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,786,864</b>	<b>384,407</b>
<b>TOTAL ASSETS</b>		<b>2,240,288</b>	<b>794,360</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,821,978	36,372
Employee benefit provisions	12	50,659	19,703
Other financial liabilities	13	5,000	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,977,637</b>	<b>56,075</b>
<b>TOTAL LIABILITIES</b>		<b>1,977,637</b>	<b>56,075</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>262,651</b>	<b>738,285</b>
<b>EQUITY</b>			
Issued capital	14	312,146	312,146
Subordinated loan	15	3,500,000	2,000,000
Accumulated losses		(3,549,495)	(1,572,861)
<b>TOTAL EQUITY/(DEFICIENCY)</b>		<b>262,651</b>	<b>738,285</b>

The accompanying notes form part of these financial statements.

**PBF Agro Business Limited**

Company No.:140358

**Statement of Changes in Equity  
For the Year Ended 31 December 2018**

2018

	Ordinary Shares	Accumulated Losses	Subordinated Loan	Total
Note	PGK	PGK	PGK	PGK
Balance at 1 January 2018	312,148	(1,588,050)	2,000,000	732,098
Profit attributable to members of the parent entity	-	(1,976,634)	-	(1,976,634)
Transactions with owners in their capacity as owners				
Funding contribution from the ultimate parent entity	15		1,500,000	1,500,000
Brokerage costs in prior year		7,189	-	7,189
Balance at 31 December 2018	312,148	(3,549,485)	3,500,000	282,663

2017

	Ordinary Share	Accumulated Losses	Subordinated Loan	Total
Note	PGK	PGK	PGK	PGK
Balance at 1 January 2017		(575,697)	2,000,000	1,424,303
Profit attributable to members of the parent entity		(997,164)		(997,164)
Transactions with owners in their capacity as owners				
issue of shares	14	-		312,148
Balance at 31 December 2017	312,148	(1,572,861)	2,000,000	739,287

The accompanying notes form part of these financial statements.



**PBF Agro Business Limited**

Company No.: 11033M

**Statement of Cash Flows**  
**For the Year Ended 31 December 2018**

	2018	2017
Note	PGK	PGK
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	27,000	-
Payments to suppliers and employees	(317,122)	(858,445)
Net cash provided by/(used in) operating activities	17 <u>(290,122)</u>	<u>(958,445)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(1,327,768)	-
Net cash provided by/(used in) investing activities	<u>(1,327,768)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from subordinated loan - related entity	15 1,500,000	-
Net cash provided by/(used in) financing activities	<u>1,500,000</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	(117,920)	(958,445)
Cash and cash equivalents at beginning of year	355,367	1,311,811
Cash and cash equivalents at end of financial year	6 <u>237,447</u>	<u>355,366</u>

The accompanying notes form part of these financial statements.

## **PBF Agro Business Limited**

Company No. 1-103368

### **Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

The financial report covers PBF Agro Business Limited as an individual entity. PBF Agro Business Limited is a for-profit company, incorporated and domiciled in Papua New Guinea.

The functional and presentation currency of PBF Agro Business Limited is Papua New Guinean Kina.

Comparatives are consistent with prior years, unless otherwise stated.

#### **1 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Papua New Guinea Companies Act 1997. The Accounting Standards Board has adopted International Financial Reporting Standards as the relevant reporting framework for Papua New Guinea.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### **2 Summary of Significant Accounting Policies**

##### **(a) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and service tax.

##### **Rental income**

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

##### **(b) Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

##### **(c) Income Tax**

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

The future tax benefit relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that the future taxable income will be available, against which, the future tax benefit can be utilised.

## PBF Agro Business Limited

Company No.: 1102368

### Notes to the Financial Statements For the Year Ended 31 December 2018

#### 2 Summary of Significant Accounting Policies

##### (d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Internal Revenue Commission (IRC).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis.

##### (e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### (f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Furniture, Fixtures and Fittings	11.25%
Motor Vehicles	30%
Office Equipment	22.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimates.

##### (g) Impairment

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for financial and non-financial assets.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

## PBF Agro Business Limited

Company No. 11-163988

### Notes to the Financial Statements For the Year Ended 31 December 2018

#### 2 Summary of Significant Accounting Policies

##### (a) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

##### (b) Financial instruments

There have been no changes brought about by the introduction of accounting standard IFRS 9 "Financial Instruments", during the year, compared to the previous year.

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

Financial instruments include cash and cash equivalents, receivables and payables and loans. The Company's activities expose it to a variety of risks, including the effects of changes in market prices and interest rates. The Company monitors these risks and seeks to minimise their potential adverse effects in the financial performance of the Company. The Company does not have any derivative financial instruments.

##### (c) Going concern

The Directors consider it appropriate that a "going concern basis" be assumed in the presentation of the financial statements notwithstanding that the Company has incurred a net loss for the current and previous years and current liabilities exceed current assets.

The Company's ability to continue as a going concern for the foreseeable future is ultimately dependent on the financial support of other related entities.

#### 3 Revenue and Other Income

	2018 PGK	2017 PGK
Other income		
- Rental income	54,000	-

#### 4 Result for the Year

The result for the year was derived after charging the following specific items:

Administration expense:		
Depreciation	132,790	36,304
Directors fees	192,794	211,010
Rent	43,760	58,500
Other expenses:		
Donations and sponsorship		20,000
Security	97,287	2,400

**PBF Agro Business Limited**

Company No. 1-153358

**Notes to the Financial Statements  
For the Year Ended 31 December 2018**

**5 Income Tax Expense**

(a) Reconciliation of income tax to accounting profit:

	2018 PGK	2017 PGK
Prima facie tax on profit before income tax at 30% (2017: 30%)	(592,990)	(299,149)
Add:		
Tax effect of:		
- benefit of tax losses and timing differences not brought to account	592,990	299,149
Income tax expense	-	-

**6 Cash and Cash Equivalents**  
Cash at bank and in hand

237,447	355,367
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**7 Trade and Other Receivables**

**CURRENT**

Trade receivables

37,400

-

GST receivable

105,371

44,094

Security deposits

5,000

5,000

147,771

49,094

**8 Financial Assets**

**NON-CURRENT**

Listed investments - cost

Shares in NGP Agmark Limited

304,957

312,146

**PBF Agro Business Limited**

Company No.1-199381

**Notes to the Financial Statements  
For the Year Ended 31 December 2018****9 Property, plant and equipment**

	<b>2018</b>	<b>2017</b>
	<b>PGK</b>	<b>PGK</b>
<b>LAND AND BUILDINGS</b>		
Freehold land		
At cost	<u>1,027,805</u>	-
<b>CAPITAL WORKS IN PROGRESS</b>		
At cost	<u>67,364</u>	-
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	<u>189,859</u>	-
Accumulated depreciation	<u>(24,246)</u>	-
	<u>165,614</u>	-
Furniture, fixtures and fittings		
At cost	<u>17,289</u>	16,022
Accumulated depreciation	<u>(5,171)</u>	(3,248)
	<u>12,118</u>	12,778
Motor vehicles		
At cost	<u>351,126</u>	35,364
Accumulated depreciation	<u>(151,913)</u>	(50,135)
	<u>199,213</u>	48,229
Office equipment		
At cost	<u>21,714</u>	20,415
Accumulated depreciation	<u>(12,001)</u>	(7,159)
	<u>9,713</u>	13,256
<b>Total plant and equipment</b>	<u><b>464,922</b></u>	<u><b>72,261</b></u>
<b>Total property, plant and equipment</b>	<u><b>1,441,007</b></u>	<u><b>72,261</b></u>

The Company's ultimate parent entity, Melanesian Trustee Service Limited (MTSL), in trust for Pacific Balanced Fund, has entered into an agreement for the purchase of parcels of land. The transfer of the cost of the land from MTSL to the Company is subject to completion of the transfer of land titles. Costs recognised to date include stamp duty, survey, legal and consulting fees.

**10 Other Assets**

<b>CURRENT</b>		
Prepayments	<u>13,808</u>	5,492

**PBF Agro Business Limited**

Company No.:1-103359

**Notes to the Financial Statements  
For the Year Ended 31 December 2018**

**11 Trade and Other Payables**

	2018	2017
	PGK	PGK
Current		
Trade payables	539,193	8,872
Amounts payable to related entities:		
Melanesian Trustee Services Limited	187,556	-
Pacific Balanced Fund Limited	1,063,264	-
Employee payroll accruals	98,402	22,198
Sundry payables and accrued expenses	15,563	5,500
	<u>1,821,978</u>	<u>36,370</u>

Trade and other payables are unsecured, non-interest bearing.

**12 Employee Benefit Provisions**

Current liabilities		
Annual leave	24,022	18,703
Long service leave	26,637	-
	<u>50,659</u>	<u>18,703</u>

**13 Other Financial Liabilities**

CURRENT		
Amounts received in advance	5,000	-

**14 Issued Capital**

500,000 (2017: 500,000) Ordinary shares fully paid	312,146	312,146
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**15 Subordinated Loan - Ultimate Parent Entity**

Opening balance	2,000,000	2,000,000
Funding contribution	1,500,000	-
Total	<u>3,500,000</u>	<u>2,000,000</u>

The subordinated loan from the ultimate parent entity, Melanesian Trustee Services Limited (MTSL), in trust for Pacific Balanced Fund, represents long-term funding for the Company's operations. MTSL has not indicated a requirement for repayment of the loan.

## PBF Agro Business Limited

Company No.: 1-193368

### Notes to the Financial Statements For the Year Ended 31 December 2018

#### 16 Related Parties

The Company's main related parties are as follows:

The parent entity is Pacific Balanced Fund (PBF), a unit trust which owns 100% of the issued capital of the Company. Melanesian Trustee Services Limited (MTSL), registered in Papua New Guinea, owns 100% of the units in PBF.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated and relate primarily to funding for the Company.

Amounts owing to related parties are disclosed in Notes 10 and 11.

#### 17 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2018 PGK	2017 PGK
Profit for the year	(1,876,634)	(987,164)
Non-cash flows in profit:		
- depreciation	132,790	35,304
- employee benefits provisions	31,958	18,703
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	962,005	-
- (increase)/decrease in other assets	(8,414)	(8,822)
- (increase)/decrease in inventories	(84,300)	-
- increase/(decrease) in income in advance	5,000	-
- increase/(decrease) in trade and other payables	627,475	(4,466)
Cashflows from operations	(280,122)	(956,445)

#### 18 Events Occurring After the Reporting Date

The Company's ultimate parent entity, Melanesian Trustee Service Limited (MTSL), has entered into an agreement for the purchase of parcels of land, with the intention that the value of the land will be transferred to Company when transfer of titles is completed. The process of transferring land titles has been occurring since the end of the financial year with 40 of 44 titles transferred.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

#### 19 Statutory Information

The registered office of and principal place of business of the company is:

PBF Agro Business Limited  
Level 8, Defens Haus, Champion Parade  
PO Box 847  
PORT MORESBY, NCD



## **PBF Agro Business Limited**



# **Independent Audit Report to the members of PBF Agro Business Limited**

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of PBF Agro Business Limited (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- (i) the accompanying financial statements of the Company gives a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the year ended and is in accordance with the International Financial Reporting Standards (including the interpretations of the International Financial Reporting Interpretations Committee) and the Papua New Guinea Companies Act 1997 and International Financial Reporting Standards; and
- (ii) proper accounting records have been kept by the Company.

### **Basis for Opinion**

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the auditor independence requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Responsibilities of Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of the financial statement that gives a true and fair view in accordance with International Financial Reporting Standards (including the interpretations of the International Financial Reporting Interpretations Committee) and the Papua New Guinea Companies Act 1997. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Auditing Standards 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 these financial statements.

**Independent Audit Report to the members of PBF Agro Business Limited continued**

**Report on other legal and regulatory requirements**

The Companies Act 1997 requires that in carrying out our audit we consider and report on the following matters. We confirm in relation to our audit of the financial statements for the year ended 31 December, 2018:

1. we have obtained all the information and explanations we have required,
2. in our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records, and
3. we have no relationship with the Company other than that of auditor and preparing the financial statements

**Restrictions on distribution or use**

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1997. Our work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

**DFK Mayberry**  
Chartered Accountants



**Michael J Mayberry CSM MBE**  
Registered under the Accountants Act 1996

Port Moresby  
Dated this .....7th..... day of .....April.....2020

**PBF Agro Business Limited**

Company No. 11-163358

**For the Year Ended 31 December 2018**

**Disclaimer**

The additional financial data presented on the following pages is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31 December 2018. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than PBF Agro Business Limited) in respect of such data, including any errors or omissions therein however caused.

DFK Mayberry

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Port Moresby

## PBF Agro Business Limited

Company No. 11-165368

For the Year Ended 31 December 2018

### Profit and Loss Account

	2018 PGK	2017 PGK
<b>Income</b>		
Rental income	54,000 ✓	-
<b>Less: Expenses</b>		
<b>Administration:</b>		
Accounting fees	22,210	18,123
Bank charges	1,100	664
Computer expenses	11,451	1,220
Consulting Fees	-	114,420
Depreciation	132,799	35,304
Directors fees	182,794	211,010
Filing fees	1,100	-
Fuel	14,774	766
Hire	1,100	7,863
Insurance	30,651	11,880
Legal expenses	-	25,765
Motor Vehicle Expenses	30,101	11,059
Postage and freight	4,583	2,786
Printing and stationery	13,630	-
Rent	42,759	58,500
Repairs and maintenance	168,591	-
Telephone and internet	2,992	4,116
Travel & accommodation	40,331	23,380
	<u>659,864</u>	<u>622,852</u>
<b>Marketing:</b>		
Advertising	19,695	-
Public relations	124,862	-
	<u>144,557</u>	<u>-</u>
<b>Staff costs:</b>		
Accommodation	244,000	60,000
Amenities	535	4,730
Leave fees	23,500	13,232
Professional membership and training	13,449	11,565
School fees	63,750	7,104
Superannuation	96,528	23,977
Wages and salaries	641,582	323,051
	<u>1,023,344</u>	<u>443,669</u>
<b>Other expenses:</b>		
Brokerage	7,000	-
Donations and sponsorship	-	20,000
Entertainment	-	1,834
Security	87,267	2,400
Subscriptions	2,090	3,630
Sundry expenses	56,423	2,889
	<u>142,780</u>	<u>26,713</u>
<b>Total Expenses</b>	<u>1,030,634</u>	<u>997,164</u>
<b>Profit before income tax</b>	<u>(1,976,634)</u>	<u>(997,164)</u>