



2016

Sugar Cane Growers Council



Annual Report



Our Vision

To be the pro-active grower representative organization, that strives to serve the interests of the cane growers of Fiji.

Our Mission

The Sugar Cane Growers Council is committed to providing effective representation, leadership and services to the cane growers in order to secure long term viability for them in the industry.

Our Objectives

- To effectively represent the interest of the cane growers as stakeholders in all aspects of the industry.
- To actively pursue and encourage the development of a sustainable and viable sugar industry.
- To take necessary measures to provide services to the cane growers to better facilitate their cane farming activities.
- To explore ways and means to reducing cost and increasing productivity and yields for the cane growers through better utilization of their existing resources and adopting best practice methods which would encourage and facilitate this.
- To conduct research and collect data in respect of cane farming activities and other related areas.
- To inform and educate the cane growers and the community on the issues relating to cane farming and the industry.
- To represent the growers and make investment on their behalf in areas related to the activities of cane growing and sugar manufacture.
- To participate actively and maintain a strong interest in the marketing of our sugar and to keep the cane growers well informed of developments, market-related issues and trends in the international markets.
- To represent growers interest, both collectively and individually on matters relating to cane farming and their obligations to the industry and seek redress for their legitimate grievances through the appropriate authorities.

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Sugar Cane Growers Council

HEAD OFFICE: LEVEL 3 CANE GROWERS BUILDING,

75 DRASA AVE, P.O. BOX 5162, LAUTOKA, FIJI.

PHONE: (679) 6650466, FAX: (679) 6650624, email: sundresh@fsc.com.fj

Letter to the Minister

July 27, 2017

The Honourable Prime Minister and Minister for Sugar
Office of the Prime Minister
Government Buildings
SUVA

Dear Sir,

Re: SCGC Annual Report 2016

Pursuant to the requirements of Part IV Section 54 (3) of the Sugar Industry Act, 1984 together with Section 28 Sugar Industry (Amendment) Act 2015, we are pleased to submit the Annual Report on activities and audited financial accounts for the year ended 31st December, 2016.

We wish to take this opportunity to thank you and the Government for the on-going support and assistance.

Chief Executive Officer

ABOUT SUGAR CANE GROWERS COUNCIL

Who We Are

Sugar Cane Growers Council (SCGC) was established under the Sugar Industry Act, 1984 with specific functions to protect and further the interests of registered cane growers. It is the peak Cane Growers' organization representing the interests of all registered Cane Growers in Fiji.

The Council consists of 9 members appointed by the Minister for Sugar. The Head Office is situated at 75 Drasa Avenue, Lautoka and has district offices in 8 cane growing districts (6 in Viti Levu and 2 in Vanua Levu). The operations of the Council are managed by the Chief Executive Officer with the assistance of 25 staff members.

Our Goals

The Council shall take all reasonable and necessary steps to protect and develop the Industry and the interests of the registered growers, and in particular:-

- (a) encourage and promote cooperation among registered growers, and between registered growers and others engaged in the Industry;
- (b) remove or provide redress of all legitimate grievances of a registered grower in any particular sector, district or mill area;
- (c) provide registered growers with goods and services relating to the business of cane-growing;
- (d) establish, hold and administer funds for the benefit of registered growers;
- (e) encourage and promote research and education with a view to improving the efficiency and productivity of registered growers and to collect, record and distribute information of value to registered growers; and
- (f) perform such other functions as maybe assigned to the Council by this Act or any other written law.

Our Customers and Partners

Our customers and partners include the Cane Growers, Cane Growers Co-operatives, Service Suppliers, Cane Lorry/Tractor Operators, Landowners, Industry Stakeholders, Banks, iTLTB and Government agencies respectively.

OPERATIONS REVIEW 2016

Growers Update

In 2015, the total number of registered growers in the country was 16,441 compared to the current figure of 16,526 registered cane growers.

District	Rakiraki	Tavua	Ba	Lautoka	Nadi	Sigatoka	Labasa	Seaqaqa	TOTAL
No. of Growers	1,733	1,650	3,668	2,098	2,162	1,146	3,420	649	16,526
No. of harvesting Gangs	189	144	355	216	268	108	426	169	1,875

Tropical Cyclone Winston

The severe Tropical Cyclone Winston had its path through some of the biggest Sugar Cane producing areas in the Western Division. The estimated damage and loss from the cyclone was pegged \$1.42 billion for Fiji.

TC Winston wreaked havoc in Rakiraki, Tavua and Ba areas with nearly every Sugar Cane field sustaining extensive damages. For these cane growing areas, Rakiraki and Tavua were emerging out of two consecutive dry weather spells and had just began to show signs of recovery when the Category 5 cyclone T C Winston hit the Western Division.

Cyclone Winston Assistance

The Council noted with appreciation, the assistance provided by the Producers Association to victims of TC Winston soon after the cyclone left our shore. The Lautoka and Labasa Association provided food rations while the Rarawai/Penang Association issued food vouchers to each of its members. The South Pacific Fertilisers also aided in providing growers with Rice Packs while the Council staff assisted in identifying the recipients and helped in distribution.

Assistance provided by Sugar Cane Growers Fund ("SCGF")

The Council negotiated the approval of interest free loan in the sum of \$1,000.00 to all TC Winston affected Cane Growers.

The loan would be re-paid to SCGF over a period of five years effective from 2017. SCGF provided other forms of financial assistance to the growers at a minimum interest rate.

Statistics

Weather

2016 Crop Forecast

2016 Crushing Season

Cane Payment



Weather

The year was marked by a number of very significant hydro-meteorological disasters which included Tropical Cyclone Winston, the strongest ever tropical cyclone to affect Fiji and one of the strongest in the Southern Hemisphere. The tropical cyclone Winston broke all the previous records of maximum winds and gusts. It hit the country on 20th February 2016. There were 44 fatalities during Winston with estimate of the disaster effects amounting to FJD\$1.99 billion. Total damage to the sugar cane industry was estimated at FJD \$163.5m.

During April 2016 two other significant tropical depressions affected the country, TD14F and TD17F, resulting in major flooding in the Western and Northern divisions respectively. It was notably dry from May to July with some parts of the country facing very dry spell and water shortages.

The year concluded with another tropical depression TD04F resulting in overwhelming rain and flooding in the cane belt. Rakiraki was worst affected. The National average rainfall during 2016 was 2380mm which was 56mm above the long term (60years) average of 2324mm.

(Figures obtained from Fiji Met.)

Crop Forecast

A crop of 1.8 million tonnes of cane was forecasted for the year, however after the devastating effect of TC Winston (category 5) the production dropped to 1,386,309 tonnes. Luckily the Labasa mill area did not sustain significant damage.

Table 2.1

<i>Mill</i>	<i>2016 Forecast</i>	<i>2016 Season (Actual)</i>	<i>Variance (+/-)</i>
<i>Lautoka</i>	414,200	372,280	-41,920
<i>Rarawai</i>	380,000	268,870	-111,130
<i>Labasa</i>	600,000	653,353	53,353
<i>Penang</i>	150,000	91,806	-58,194
<i>All Mill</i>	1,544,200	1,386,309	-157891

Crushing Season

The 2016 season crop declined compared to previous years in the Western division because of devastated effect of T C Winston. Unfortunately Penang mill was severely damaged during T C Winston and had to ceased operations. Therefore, all Penang Mill area Cane had to be transferred to Rarawai Mill. Thus, additional costs incurred for transportation was gracefully paid by the Government.

All three mills jointly crushed 1,386,309 tonnes of cane from an area of 36,724.8 hectares giving an average of 37.71 yields per hectare. The stand over cane for the season was around 28,665 tonnes against 15,028 tonnes in 2015. Around 90% of the stand over cane was due to the ongoing problem of non-availability of cane cutters, no interest from Farmers, Cane Access Roads, Absentees' grower, Farm disputes and Land issues.

<i>Mill</i>	<i>Crushed</i>	<i>Stand over</i>	<i>Total Crop</i>
<i>Lautoka</i>	372,280	16,080	388,360
<i>Rarawai</i>	268,870	4,355	273,225
<i>Labasa</i>	653,353	7,715	661,068
<i>Penang</i>	91,806	515	92,321
<i>All Mill</i>	1,386,309	28,665	1,414,974

Table 2.3 Cane Crushed Between 2010 To 2016

<i>District/ Mill</i>	2010	2011	2012	2013	2014	2015	2016
Lautoka	216,986	281,071	209,240	177,396	229,365	230,457	148002
Nadi	229,730	262,212	213,783	169,638	247,193	206,644	156936
Sigatoka	80,750	100,258	67,439	58,619	77,655	83,964	67342
Lautoka Mill Total	527,466	643,521	490,462	405,652	554,213	521,065	372,280
Rarawai	378,061	484,243	325,115	360,996	434,458	384,458	217,292
Tavua	142,427	189,199	140,205	137,830	118,556	106,334	51,578
Rarawai Mill Total	520,488	673,442	465,320	498,826	553,014	490,792	268,870
Labasa	417,832	425,284	313,973	429,243	418,106	515,760	502,969
Seaqaqa	136,742	145,187	99,310	116,911	126,242	146,840	150,384
Labasa Mill Total	554,574	570,471	413,283	546,154	544,348	662,600	653,353
Penang Mill Total	175,486	208,307	177,832	159,720	180,571	170,130	91,806
GRAND TOTAL	1,778,014	2,095,741	1,546,897	1,610,353	1,832,146	1,844,587	1,386,309

Labasa Mill commenced crush on 16th June 2016 followed by Lautoka and Rarawai which commenced on 19th and 20th July, 2016 respectively. Lautoka Mill terminated crush on 19th November 2016 followed by Rarawai on the next day. Labasa ended crush on 14th December, 2016.

Cane Payment

For 2016 season, Growers received a total payment \$82.00/ton against a forecast of \$65.69/ton. In comparison to 2015 cane price the growers received \$5.34 more per tonne of cane. This was only possible through a top up of \$ 9.15 by the Government in recognition of the on-going difficulties faced by the growers due to damages caused by T C Winston.

CANE PAYMENT								
Season	Forecast	Delivery	Second	Special	Third	Fourth	Final	Total
1990	43.70	26.22	8.74		3.00	0.00	3.34	41.30
1991	36.85	22.11	7.37		13.93	0.00	7.48	50.89
1992	39.21	23.53	7.84		10.45	0.00	13.17	54.99
1993	39.37	23.62	7.87		4.63	4.00	9.04	49.16
1994	37.08	22.25	7.42		8.71	4.00	8.60	50.98
1995	39.18	3.51	7.84		12.34	4.00	6.09	33.78
1996	39.21	23.54	8.42		7.02	4.94	0.89	44.81
1997	38.62	23.17	7.72		12.15	6.19	0.84	50.07
1998	48.61	28.89	9.72		27.82	12.28	2.80	81.51
1999	41.70	25.02	8.34		8.00	8.24	1.16	50.76
2000	36.72	22.02	7.34		7.33	6.03	1.28	44.00
2001	43.03	25.82	8.61	4.00	13.44	6.92	2.01	60.80
2002	43.99	26.39	8.80		9.59	6.72	2.30	53.80
2003	43.50	26.10	8.70	4.00	9.71	10.23	1.38	60.12
2004	47.10	28.26	9.42	4.00	2.76	9.68	1.75	55.87
2005	44.28	26.57	8.86	4.00	7.29	9.93	1.70	58.35
2006	48.54	29.12	9.78	4.00	4.96	8.94	1.80	58.60
2007	43.76	26.26	8.75	4.00	6.59	12.44	1.61	59.65
2008	46.26	27.76	9.25	4.00	4.02	12.44	2.23	59.70
2009	61.17	36.70	12.23		5.03	2.26	0.37	56.59
2010	45.67	27.40	9.13		3.5	6.54	2.59	49.16
2011	52.20	31.32	10.44		10.18	11.39	2.34	65.67
2012	53.55	32.13	10.70	4.00	11.50	20.40	3.09	81.82
2013	62.58	37.55	12.52	5.00	12.00	15.05	6.37	88.49
2014	62.70	37.62	12.54		15.13	15.00	0.71	81.00
2015	62.70	37.62	11.14	4.80	9.88	11.12	2.10	76.66
2016	65.69	39.42	13.14	9.15	9.28	10.57	0.44	82.00

Activities

Cane Planting Grant & Crop

Rehabilitation

FNPF Voluntary Membership Scheme

Land Issues

Services Provided by SCGC

Weedicide Distribution



Cane Planting Grant and Crop Rehabilitation

The Government had initially allocated \$4.6 million as cane planting grant under the Sugarcane Industry Development Program. Additional \$9.0 million was allocated in the 2016/2017 national budget. The CPG program was based on a cash back initiative and upon successful completion of land preparation growers received 50% of the grant. The remaining 50% of the grant was only paid out upon successful planting and germination of the crop. The scheme also had provisions of providing additional \$500 per hectare to hire of bulldozers to clear heavy vegetation and trees on fallow land. Additionally, agricultural lime was supplied to growers upon soil analysis to correct soil pH and to maintain good soil health.



FNPF Voluntary Membership Scheme

The Fiji National Provident Fund (FNPF) Voluntary scheme had been in existence for years. However, official arrangements for the deduction of growers' contribution from the cane proceeds has now been made between SCGC, Fiji Sugar Corporation (FSC) and FNPF.

All Cane Growers and their family members, farm labourers, harvester and lorry/tractors drivers are eligible to join the voluntary FNPF scheme, however only the registered grower's contributions can be sourced from the cane proceeds by FSC and paid to FNPF directly. Other voluntary members are at liberty to pay their contributions directly to FNPF. Individuals who join this voluntary FNPF scheme will be entitled to the same benefits as that of compulsory members.

The registration and deduction authority forms are available at all SCGC district offices. The Council staff members are conducting awareness and assisting growers who are willing to register and join the scheme.

Land Issues

The SCGC is involved in representing the growers in renewal of leases, rental assessment, delay in processing of lease applications and other related activities with Lands Department and iTaukei Land Trust Board.

Services Provided by SCGC

In 2016, a total of 69,792 growers were served in the 8 cane growing districts on various issues affecting the cane growers. The summaries of Council activities are tabulated below:-

GROWERS SERVICES FROM JANUARY TO DECEMBER 2016									
	Rakiraki	Tavua	Ba	Lautoka	Nadi	Sigatoka	Labasa	Seaqaqa	TOTAL
Weedicide Distribution	2,125	1,765	4,142	8,594	8,470	1,178	3,852	1,330	31,456
Income Tax Returns	610	659	804	541	411	453	1,322	521	5,321
Cane Payment	71	249	12	17	159	23	2,236	709	3,476
Increase Harvesting Rates	153	109	603	111	151	36	1,122	334	2,619
Cane Access Road	117	28	142	9	7	8	1,214	432	1,957
Lorry Wheel Tax	77	93	235	141	117	43	226	358	1,290
Substitute Agreement	93	109		103	53	54	474	354	1,240
Legal Services	108	389	6	184	125	144	23	48	1,027
Knife Sale	17	37	80	155	574	47	5		915
MOGA	118	56	232	181	157	4		159	907
Additional Ticket Book							422	348	770
Cane Planting Program	38	145		3	2	11		327	526
Land Rent Appeal/Renew	47	151	16	27	8	28	56	53	386
Gang Matters	42	89	4	75	16	4	69	9	308
Individual Harvesting	147	37		25	7	9	74		299
Substitute Dispute	5	54	18	4	13	11	124	61	290
COR amendment	41	64	65	5	15	13	68	15	286
VAT returns	3	9		12	1	16	40	152	233
New Registration	25	9	24	11	3	24	117	9	222
Gang Disputes		12	10	3	3	7	129		164
Transfer of Registration	13	39	19	3	15	40	2	7	138
COR Replacement	30	12	16	10	8	5	47	5	133
Gang Meetings in Office	22	8	4	2			90		126
Land rent object/Transfer	3	55	11	15		11	6		101
Burnt Cane	21	12	8	4	1	3	3	28	80
Crop Damage	6	22	13	13	10	4		4	72
Gang Rationalization	17	9	18				5		49
Split Registration	12	7		3	2	4	6	4	38
Drainage	12		2	6			13		33
Harvesting Bond Dispute		1	1	1					3
General Services	1,532	1,109	1,611	1,155	1,675	839	5,673	1,733	15,327
Total	5,505	5,338	8,096	11,413	12,003	3,019	17,418	7,000	69,792

Weedicide Distribution

The Council facilitates the distribution of weedicide from the 8 district offices located in the Sugar belt. The distribution is done on orders provided to the growers by FSC.

Weedicide Distribution by District

The record for weedicide by each district in the year 2016 is listed below:-

DISTRICT	Diuron (Kg)	Glyphosate (5Litres)	Amine 720 (5 Litres)	Valpar King (Kg)
Rakiraki	5,069	1,610	1,797	310
Tavua	3,006	999	1,507	259
Ba	8,374	2,764	4,305	2,075
Lautoka	4,865	1,442	2,419	328
Nadi	4,053	1,713	2,320	261
Sigatoka	934	527	738	62
Labasa	5,564	2,472	4,120	572
Seaqaqa	1,333	561	986	694
TOTAL	33,198	12,088	18,192	4,561

Growers Consultation

Consultations with growers are ongoing in the respective mill areas and number of issues raised by the growers during the discussions which are addressed by the Council management and staff.

Some of the major issues are as follows:

- Crop production
- Harvesting and transport of cane
- Upgrading and maintenance of cane access roads
- Rural Access Road and Associated Infrastructure (RARAI) Project
- Information regarding SCGF loan assistance
- Legal Services (Power of Attorney, Wills, Probates, Transfer and other Conveyancing matters)
- Renewal of Land Leases
- Awareness on Income tax and VAT Returns
- FNPF Voluntary Scheme

COUNCIL MEMBERS



Cr. Viliame Gucake
Chairman
Ministry of Sugar



Cr. Jovesa Vocea
Commissioner
Northern Division



Cr. Manasa Tagicakibau
Commissioner
Western Division



Cr. Josefa Cagimaicama
Rarawai Penang Cane
Producers Association



Cr. Prakash Chandra
Labasa Cane Producers
Association



Cr. Parbindra Singh
Lautoka Cane Producers
Association



Cr. Pradip Kumar
Labasa Cane Producers
Association



Cr. Jai Ram Khelawan
Rarawai Penang Cane
Producers Association



Cr. Nand Kishore
Lautoka Cane Producers
Association



Sundresh Chetty
Chief Executive Officer



Nemani Veikoso
Secretary

Composition of the Council

The Council consists of the following persons who were appointed by the Minister for Sugar:

(a) Two elected representatives from each of the following Cane Producers' Associations—

(i) **Rarawai and Penang Cane Producers' Association**

- Mr. Jai Ram Khelawan
- Mr Josefa Cagimaicama

(ii) **Labasa Cane Producers' Association**

- Mr. Pradip Kumar
- Mr. Prakash Chandra

(iii) **Lautoka Cane Producers' Association**

- Mr. Parbindra Singh
- Mr. Nand Kishore

(b) **The Commissioner for the Western Division**

Mr. Manasa Tagicakibau

(c) **The Commissioner for the Northern Division**

Mr. Jovesa Vocea

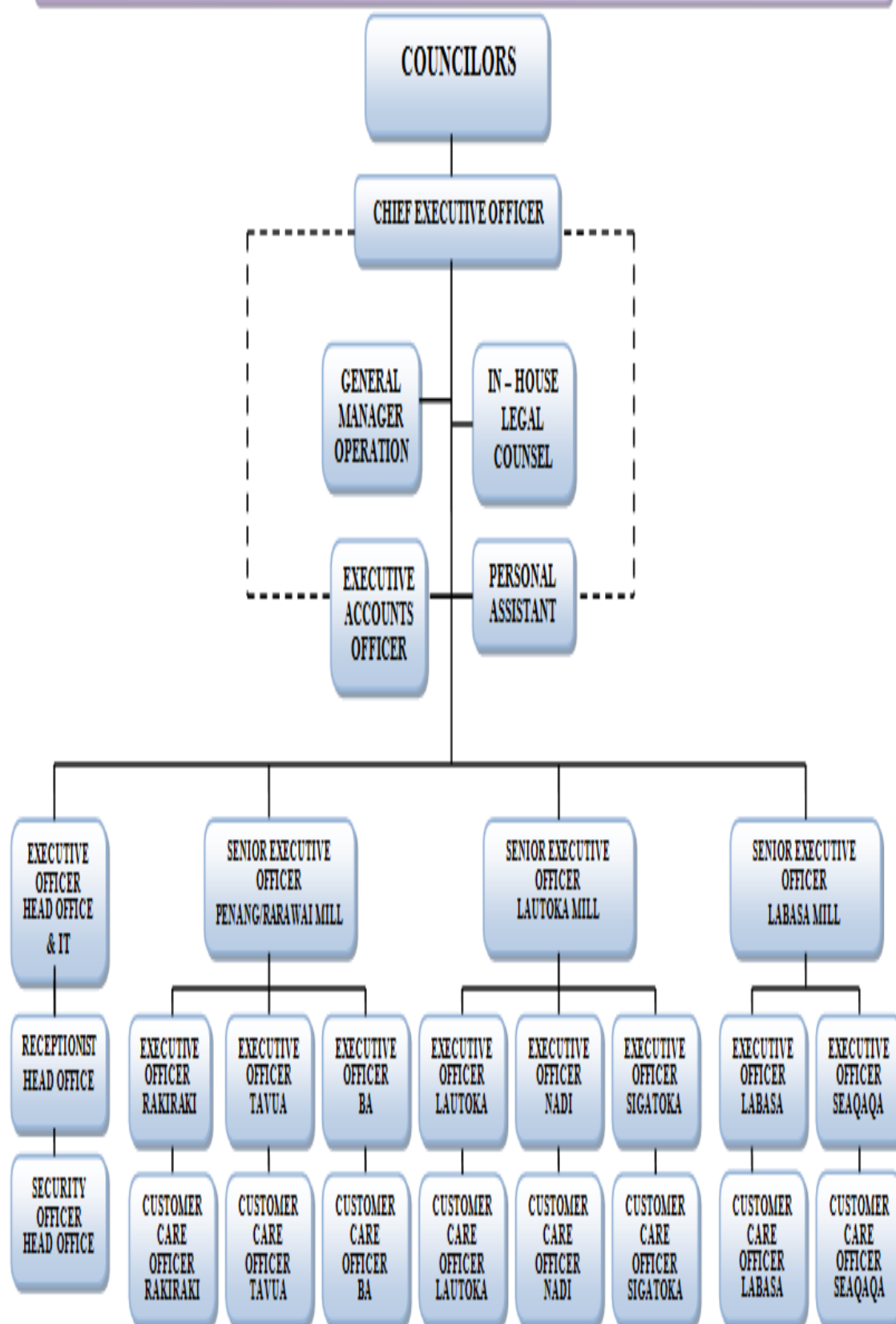
(d) **And a representative of the Ministry**

Director Sugar Industry – Mr. Viliame Gucake

Council Meetings

The Council held 4 meetings during the financial year ended 31st December, 2016. The regular business of the Council during its meetings covers Corporate Governance, Financial Performance and Risk Management, and Strategic Planning to enhance Cane Production.

SUGAR CANE GROWERS COUNCIL ORGANISATION CHART



Sugar Cane Growers Council
Financial Statements
For the year ended 31 December 2016

Sugar Cane Growers Council

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Sugar Cane Growers Council

Members' report

The Members of Sugar Cane Growers Council ("the Council") herewith submit the statement of financial position of the Council as at 31 December 2016 and the related statement of comprehensive income and accumulated funds and statement of cash flows for the year ended on that date and report as follows:

Members

The names of the Members at the date of this report and at any time during the financial year and up until the date the financial statements were authorised for issue are as follows:

- Viliame Gucake (Chairman)
- Manasa Tagicakibau
- Jovesa Vocea
- Jai Ram Khelawan
- Nand Kishore
- Pradip Kumar
- Prakash Chandra
- Prabindra Singh

State of affairs

In the opinion of the Members the accompanying statement of financial position gives a true and fair view of the state of affairs of the Council as at 31 December 2016 and the accompanying statement of comprehensive income and accumulated funds and statement of cash flows give a true and fair view of the results, changes in funds employed and cash flows of the Council for the year then ended.

Results

The total comprehensive loss for the year amounted to \$34,061 (2015: Total comprehensive income of \$75,635).

Principal activities

The principal activities of the Council are outlined under Section 1.2 of the Sugar Industry Amendment Bill 2015 which is to ensure the protection and development of the sugar cane industry. There were no significant changes in the nature of the activities of the Council during the financial year.

Current assets

The Members took reasonable steps before the Council's financial statements were made out to ascertain that the current assets of the Council were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

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

Sugar Cane Growers Council

Members' report (continued)

Receivables

The Members took reasonable steps before the Council's financial statements were made out to ascertain that all known bad debts were written off and adequate allowance was made for impairment losses.

At the date of this report, the Members are not aware of any circumstances which would render the above assessment inadequate to any substantial extent.

Related party transactions

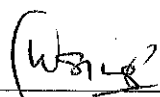
All related party transactions have been adequately recorded in the financial statements.

Events subsequent to year end

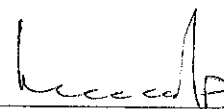
There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Members, to affect significantly the operations of the Council, the results of those operations or the state of affairs of the Council in subsequent financial years.

Dated at Lautoka this 28th day of June 2017.

Signed in accordance with a resolution of the Members.



Council member



Council member



Honourable Josaia Voreqe Bainimarama
Minister for Sugar Industry
PO Box 2349
Government Buildings
Suva

Independent Auditors' Report

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Sugar Cane Growers Council ("the Council") which comprise the statements of financial position as at 31 December 2016, the statement of comprehensive income and accumulated funds and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 20.

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph section of our report, the accompanying financial statements give a true and fair view of the financial position of the Council as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Qualified Opinion

The financial statements currently show an amount of Value Added Tax (VAT) payable to Fiji Revenue and Customs Authority (FRCA) of \$49,541 as set out in Note 14. The VAT status of the Council is currently being determined with FRCA and the outcome of the matter is presently not known. The impact on the amount recorded in the financial statements is currently incapable of determination and accordingly, we are not able to determine what adjustments, if any, might be necessary to the amounts recorded in the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs and for such internal control as management determines 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 is responsible for assessing the Council'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 management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.



Independent Auditors' Report

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' 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 Standards on Auditing (ISAs) 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Council'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 management's use of the 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 Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

4th July 2017
Nadi, Fiji

Sharvek Naidu
Partner

Sugar Cane Growers Council
Statement of comprehensive income and accumulated funds
For the year ended 31 December 2016

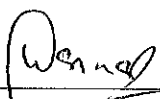
	Note	2016	2015
		\$	\$
Sale of weedicide		1,948,076	1,970,264
Cost of Sales - weedicide		<u>(1,835,447)</u>	<u>(1,863,440)</u>
Gross profit		112,629	106,824
Other income	4	939,824	807,307
Administrative expenses	5	(540,526)	(529,757)
Other operating expenses	6	<u>(562,506)</u>	<u>(326,101)</u>
		(50,579)	58,273
Finance income	8	16,518	17,362
(Deficit) / surplus before income income tax		<u>(34,061)</u>	<u>75,635</u>
Income tax expense	3(g)	<u>-</u>	<u>-</u>
(Deficit) / surplus for the year		(34,061)	75,635
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss) / income for the year		(34,061)	75,635
Accumulated funds at the beginning of the year		<u>3,141,699</u>	<u>3,066,064</u>
Accumulated funds at the end of the year		<u><u>3,107,638</u></u>	<u><u>3,141,699</u></u>

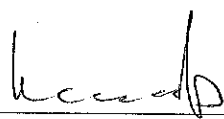
The notes on pages 8 to 21 are an integral part of these financial statements.

Sugar Cane Growers Council
Statement of financial position
As at 31 December 2016

	Note	2016 \$	2015 \$
Assets			
Non-current assets			
Property, plant and equipment	9	1,041,268	1,076,828
Investments	10	485,079	430,655
Total non-current assets		<u>1,526,347</u>	<u>1,507,483</u>
Current assets			
Cash and cash equivalents	11	747,941	731,617
Held to maturity investments	12	550,000	550,000
Inventories - finished goods		64,390	64,521
Receivables	13	593,419	687,135
Prepayments		12,656	14,015
Total current assets		<u>1,968,406</u>	<u>2,047,288</u>
Total assets		<u><u>3,494,753</u></u>	<u><u>3,554,771</u></u>
Funds employed			
Funds employed		3,107,638	3,141,699
Total funds employed		<u>3,107,638</u>	<u>3,141,699</u>
Current liabilities			
Other payables and accruals	14	329,608	364,245
Employee benefits	15	57,507	48,827
Total current liabilities		<u>387,115</u>	<u>413,072</u>
Total liabilities		<u>387,115</u>	<u>413,072</u>
Total funds employed and liabilities		<u><u>3,494,753</u></u>	<u><u>3,554,771</u></u>

Signed on behalf of the Board.


 Council member


 Council member

The notes on pages 8 to 21 are an integral part of these financial statements.

Sugar Cane Growers Council
Statement of cash flows
For the year ended 31 December 2016

	Note	2016 \$	2015 \$
Operating activities			
Receipts of growers levy from Fiji Sugar Corporation		6,004	647,159
Receipts from weedicide sales		1,836,220	1,905,782
Government grant received		600,000	-
Other receipts		332,941	109,450
Payments to suppliers and employees		<u>(2,763,562)</u>	<u>(2,811,704)</u>
Net cash from / (used in) operating activities		<u>11,603</u>	<u>(149,313)</u>
Investing activities			
Interest received	8	16,518	17,362
Acquisition of property, plant and equipment	9/17	<u>(11,797)</u>	<u>(15,619)</u>
Cash from investing activities		<u>4,721</u>	<u>1,743</u>
Net increase / (decrease) in cash and cash equivalents		16,324	(147,570)
Cash and cash equivalents at 1 January		<u>731,617</u>	<u>879,187</u>
Cash and cash equivalents at 31 December	11	<u><u>747,941</u></u>	<u><u>731,617</u></u>
Material non-cash investing activity	17		

The notes on pages 8 to 21 are an integral part of these financial statements.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

1. Reporting entity

Sugar Cane Growers Council (the "Council") is a body corporate domiciled in Fiji, established under the Sugar Industry Amendment Bill 2015. The address of the Council's registered office is 75 Drasa Avenue, Lautoka.

The principal activities of the Council are outlined under Section 1.2 of the Sugar Industry Amendment Bill 2015 which is to ensure the protection and development of the sugar cane industry. There were no significant changes in the nature of the activities of the Council during the financial year.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

The financial statements were authorised for issue by the Council Members on 28 June 2017.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except where stated.

(c) Functional and presentation currency

The financial statements are presented in Fiji dollars, rounded to the nearest dollar, which is the Council's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

2. Basis of preparation (continued)

(d) Use of estimates and judgments (continued)

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 3(c) - Recoverability of receivables

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Council.

(a) Financial instruments

(i) Non-derivative financial assets

The Council generally recognises loans and receivable on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Council becomes a party to the contractual provisions of the instrument.

The Council derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Council is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when, the Council has a legal right to offset the amounts and intends either to offset the amounts and settle on a net basis or to realise the asset and settle the liability simultaneously.

The Council classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held to maturity financial assets and loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial assets and liabilities are measured at amortised cost using the effective interest method, less any impairment losses (see note 3 (c) (i)).

Loans and receivables comprise cash and cash equivalents and receivables.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank for the purposes of the statement of cash flows.

Held to maturity financial assets

If the Council has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held to maturity. Held to maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Held to maturity financial assets comprise term deposits.

Financial assets at fair value through profit and loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Council manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Council's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets at fair value through profit or loss comprise investments in Unit Trust of Fiji.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Council becomes a party to the contractual provisions of the instrument.

The Council derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Council classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise other payables and accruals.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

3. Significant accounting policies (continued)

(b) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other operating expenses in profit or loss.

(iii) Depreciation

Items of property, plant and equipment are depreciated in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Council will obtain ownership by the end of the lease term.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Council. Ongoing repairs and maintenance is expensed as incurred.

The depreciation rate for the current and comparative year is as follows:

Asset	Rate
Fixtures and fittings	25%
Plant and equipment	25%
Motor vehicles	25%
Land and building	1.25% - 5%

(c) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

3. Significant accounting policies (continued)

(c) Impairment (continued)

(i) Non-derivative financial assets (continued)

Financial assets measured at amortised cost

The Council considers evidence of impairment for financial assets at amortised cost at a specific asset level.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Council's non-financial assets excluding inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

(d) Employee benefits

i) Defined contribution plan / superannuation

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits. Costs are included in profit or loss as the service is provided by the employee.

ii) Annual leave and long service leave

Annual leave and long service leave with respect to employees' services up to the reporting date, measured at the amounts expected to be paid when the liabilities are settled, are accrued for under employee benefits.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

3. Significant accounting policies (continued)

(d) Employee benefits (continued)

iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in profit or loss as the related service is provided.

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are recognised in other payables on the statement of financial position.

(e) Inventories

Inventories include weedicide. Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

The cost of inventories is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(f) Revenue

(i) Levy income

Levy income for any financial year is approved by the Council and certified by the Tribunal Accountant at the beginning of the crushing season in accordance with Sections 51 and 53 of the Sugar Industry Act of 1984 and recorded in profit or loss on an accrual basis. Growers levies are determined under the Master Award and regulated under the Sugar Industry Act 1984 s(53). The collection of levies by FSC is deducted from the growers' share of proceeds of sale of sugar, molasses and other by-products.

(ii) Sale of weedicide

Revenue from sale of weedicide is measured at the fair value of the consideration received or receivable. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer.

(iii) Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grants will be received and the entity will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they intended to compensate.

(iv) Other income

Dividend income and other revenue from operating activities are recognised in profit or loss on an accrual basis.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

3. Significant accounting policies (continued)

(f) Revenue (continued)

(v) Rental income

Rental income from hire of hall and office premises are recognised in profit or loss on an accrual basis.

(g) Income tax

The Council is exempt from income tax by virtue of Part 7(2) of the Income Tax (Exempt Income) Regulations 2016.

(h) Financing income

Finance income comprises interest received on the term deposits held. Interest income is recognised as it accrues in profit or loss.

(i) Value Added Tax (VAT)

The financial statements have been prepared on a gross basis (VAT inclusive).

	2016	2015
	\$	\$
4. Other income		
Dividend income - Unit Trust of Fiji	17,592	16,527
Growers levy	-	650,000
Government grant	550,459	-
Gain on investments carried at fair value (Note 10)	36,832	27,245
Legal income	43,638	18,358
Knife sales	20,454	4,119
Other income	64,932	25,215
Share of profit from Sugar House	140,000	-
Rental income	65,917	65,843
	<u>939,824</u>	<u>807,307</u>
5. Administrative expense		
Bank charges	1,392	1,381
Meeting costs	18,911	5,966
Personnel expenses (refer note 7)	520,223	522,410
	<u>540,526</u>	<u>529,757</u>

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

	2016	2015
	\$	\$
6. Other operating expenses		
Advertising	2,818	598
Auditor's remuneration - audit services	6,300	7,000
- other services	8,509	3,912
City rates	714	842
Cleaning	9,160	9,510
Depreciation	49,358	64,000
Donations	100	400
Doubtful debts	199,568	12,163
Electricity	23,911	24,132
Fringe benefit tax	5,850	-
General expenses	338	5,767
Growers accountant's fees	10,900	5,750
Hospitality	1,460	1,160
Insurance	22,896	23,583
Information technology	2,789	-
Legal department expenses	37,977	-
Medical expenses	13,320	-
Motor vehicle expenses	42,817	52,903
Office expenses	4,636	6,954
Postage	3,330	2,466
Professional services	5,725	1,747
Purchase of knives	17,497	-
Rent	31,158	32,752
Repairs and maintenance	24,051	13,586
Security expenses	3,862	9,567
Staff training	1,276	791
Stationery and printing	3,808	9,840
Subscriptions	3,260	2,507
Telephone	24,539	29,091
Water rates	579	405
Website costs	-	4,675
	<u>562,506</u>	<u>326,101</u>

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

	2016	2015
	\$	\$
7. Personnel expenses		
Annual and long-service leave	57,507	48,827
Fiji National Provident Fund (FNPF) contributions	36,316	40,474
Key management compensation - short term benefits	121,645	121,645
- FNPF	14,270	14,270
Fiji National University Levy	7,027	2,092
Wages and salaries	283,458	295,102
	<u>520,223</u>	<u>522,410</u>
8. Finance income		
Interest income	<u>16,518</u>	<u>17,362</u>

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

9. Property, plant and equipment

	Fixtures and fittings \$	Plant and equipment \$	Motor vehicles \$	Land and buildings \$	Total \$
Cost					
Balance at 1 January 2015	121,365	446,539	269,325	1,342,219	2,179,448
Acquisitions during the year	430	8,009	-	7,180	15,619
Balance at 31 December 2015	121,795	454,548	269,325	1,349,399	2,195,067
Acquisitions during the year	449	10,568		2,780	13,797
Disposals during the year	-	(4,000)	-	-	(4,000)
Balance at 31 December 2016	122,244	461,116	269,325	1,352,179	2,204,864
Accumulated Depreciation					
Balance at 1 January 2015	121,365	423,560	208,858	300,456	1,054,239
Depreciation charge for the year	11	11,850	30,675	21,464	64,000
Balance at 31 December 2015	121,376	435,410	239,533	321,920	1,118,239
Depreciation charge for the year	128	9,246	19,219	20,765	49,358
Disposals during the year	-	(4,000)	-	-	(4,000)
Balance at 31 December 2016	121,504	440,656	258,752	342,685	1,163,597
Carrying amount					
At 31 December 2015	419	19,138	29,792	1,027,479	1,076,828
At 31 December 2016	740	20,460	10,574	1,009,494	1,041,268

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

10. Investments

Non-current investment

Financial assets designated at fair value through the statement of comprehensive income.

<u>Unit Trust of Fiji</u>	2016	2015
	\$	\$
This represents investment in Unit Trust of Fiji of 293,988 units (2015: 283,326 units) at \$1.65 (2015: \$ \$1.52).	485,079	430,655
<u>Reconciliation of investment in Unit Trust of Fiji</u>		
Balance at 1 January	430,655	386,883
Additional units acquired during the year	17,592	16,527
Gain on remeasurement of investment to fair value	36,832	27,245
Balance at 31 December	485,079	430,655

Financial assets designated at cost are as follows:

Fiji Sugar Corporation

This represents investment in Fiji Sugar Corporation	38,931	38,931
Less provision for impairment	(38,931)	(38,931)
	-	-

11. Cash and cash equivalents

Cash at bank	745,911	729,587
Cash on hand	2,030	2,030
Cash and cash equivalents in the cash flow statements	747,941	731,617

12. Held to maturity investments

Term deposits	550,000	550,000
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The average interest rate on term deposits in 2016 is 3.375% (2015: 3.165%). The deposits have an average maturity of 365 days (2015: 365 days).

	2016	2015
	\$	\$
13. Receivables		
Growers levy receivable from The Fiji Sugar Corporation Limited	704,395	710,399
Less: Provision for doubtful debts	(704,395)	(504,827)
	-	205,572
Receivable from The Fiji Sugar Corporation Limited for sale of weedicide	537,735	463,961
Receivable from South Pacific Fertilizers Limited	1,614	3,228
Receivable from Sugar Cane Growers Fund	4,525	375
Other receivables	49,545	13,999
	593,419	687,135

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

	2016	2015
	\$	\$
13. Receivables (continued)		
<u>Movement in provision for doubtful debts</u>		
Balance as at 1 January	504,827	492,664
Created during the year	199,568	12,163
Balance as at 31 December	<u>704,395</u>	<u>504,827</u>
14. Other payables and accruals		
Payables and accruals	53,104	48,569
VAT payable (refer (a) below)	49,541	-
South Pacific Fertilizers Limited	226,963	315,676
	<u>329,608</u>	<u>364,245</u>

(a) VAT payable

On 7 December 2016, the Council received a demand letter from Fiji Revenue and Customs Authority (FRCA) as a result of the Council not lodging VAT returns from January 2010. Management is currently liaising with FRCA in relation to whether the Council should be subject to VAT. FRCA is yet to provide an assessment on the matter as at the date of signing of the financial statements. Since the outcome of the discussions is not known, management has booked an accrual for the amount of VAT payable on Government grant received during the year as an uncertain tax position only, all the other transactions are recorded on a gross basis (VAT inclusive).

	2016	2015
	\$	\$
15. Employee benefits		
Balance at 1 January	48,827	32,508
Created during the year	57,507	48,827
Leave utilised during the year	(48,827)	(32,508)
Balance at 31 December	<u>57,507</u>	<u>48,827</u>

Employee benefits is comprised of annual leave and long service leave. Generally these leaves are taken within one year of entitlement and accordingly it is expected that a significant portion of the total balance will be utilised within the next financial year.

16. Related parties

(a) The Members

The names of the Members at any time during the financial year are as follows:

- Viliame Gucake (Chairman)
- Manasa Tagicakibau
- Jovesa Vocea
- Jai Ram Khelawan
- Nand Kishore
- Pradip Kumar
- Prakash Chandra
- Prabindra Singh

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

16. Related parties (continued)

(b) Identity of related parties

The Fiji Sugar Corporation Limited (FSC) and South Pacific Fertilizers Limited are related parties by virtue of common directorship and shareholding. Other related parties of the Council include key stakeholders in the Fiji Sugar Industry, namely, the Government of Fiji, Sugar Research Institute of Fiji and Sugar Cane Growers Fund.

(c) Amounts receivable from / (payable to) related parties	2016	2015
	\$	\$
Payable to South Pacific Fertilizers Limited	(226,963)	(315,676)
Receivable from The Fiji Sugar Corporation Limited for sale of weedicide (Note 13)	537,735	463,961
Growers levy receivable from The Fiji Sugar Corporation	704,395	710,399
Receivable from South Pacific Fertilizers Limited (Note 13)	1,614	3,228
Receivable from Sugar Cane Growers Fund (Note 13)	<u>4,525</u>	<u>375</u>

(d) Transactions with related parties

During the year, the Council entered into various transactions with related parties which were at normal commercial terms and conditions. The aggregate value of material transactions with the related parties during the year is as follows:

	2016	2015
	\$	\$
Levy income – The Fiji Sugar Corporation Limited	-	650,000
Purchase of weedicide from South Pacific Fertilizers Limited	1,828,210	1,861,747
Sale of weedicide to The Fiji Sugar Corporation Limited	1,835,448	1,170,532
Rental income from Sugar Cane Growers Fund	<u>62,892</u>	<u>62,303</u>

(e) Transactions with key management personnel

Key management personnel includes the Chief Executive Officer and General Manager Operations.

In addition to their salary, the Council also provides non-cash benefits to key management personnel. Key management compensation is disclosed in Note 7.

17. Material non-cash investing activity	2016	2015
	\$	\$
Re-investment of dividend income earned in Unit Trust of Fiji	17,592	16,527
Acquisition of property, plant and equipment via trade-in	<u>(2,000)</u>	<u>-</u>

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2016

18. Capital commitments

Capital commitments as at 31 December 2016 amounted to \$nil (2015: \$nil).

19. Contingent liabilities

The Council is a defendant in a third party claim. The Members do not expect the outcome of these actions to have a material effect on the Council's financial position.

20. Events subsequent to year end

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Members, to affect significantly the operations of the Council, the results of those operations or the state of affairs of the Council in subsequent financial years.



Disclaimer

The additional financial information presented on pages 23 to 24 is in accordance with the books and records of Sugar Cane Growers Council which have been subjected to the auditing procedures applied in our statutory audit of the Council for the year ended 31 December 2016. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Council) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

KPMG.
4th July, 2017
Nadi, Fiji

Sharvek Naidu
Sharvek Naidu
Partner

Sugar Cane Growers Council
Statement of operations
For the year ended 31 December 2016

	2016	2015
	\$	\$
Sales	1,948,076	1,970,264
Cost of Sales	(1,835,447)	(1,863,440)
Gross Profit	112,629	106,824
Growers levy	-	650,000
Government grant	550,459	-
Proceeds from sugar house	140,000	-
Dividend income	17,592	16,527
Gain on investments carried at fair value	36,832	27,245
Gain on sale of property, plant and equipment	2,000	-
Interest income	16,518	17,362
Rental income	65,917	65,843
Legal income	43,638	18,358
Knife sales	20,454	4,119
Other income	62,932	33,302
Total income	1,068,971	939,580
Expenditure		
Advertising	2,818	598
Auditor's remuneration - audit services	6,300	7,000
- other services	8,509	3,912
Bank charges	1,392	1,381
City rates	714	842
Cleaning	9,160	9,510
Depreciation	49,358	64,000
Donations	100	400
Doubtful debts	199,568	12,163
Electricity	23,911	24,132
Fiji National Provident Fund contributions	50,586	54,744
Fiji National University Levy	7,027	2,092
Fringe benefit tax	5,850	-
General expenses	338	5,767
Growers accountant's fees	10,900	5,750
Hospitality	1,460	1,160
Insurance	22,896	23,583
Information technology	2,789	-
Legal department expenses	37,977	-
Meeting costs - other	18,911	5,966
Expenses balance carried forward	460,564	223,000

The above statement of operations is to be read in conjunction with the disclaimer report set out on page 22.

Sugar Cane Growers Council
Statement of operations (continued)
For the year ended 31 December 2016

	2016	2015
	\$	\$
Expenses balance brought forward	460,564	223,000
Medical expenses	13,320	-
Motor vehicle expenses	42,817	53,990
Office expenses	4,636	6,954
Postage	3,330	2,466
Professional services	5,725	1,747
Purchase of knives	17,497	-
Rent	31,158	32,752
Repairs and maintenance	24,051	13,586
Security expenses	3,862	14,567
Staff training	1,276	791
Stationery and printing	3,808	11,840
Subscriptions	3,260	2,507
Telephone	24,539	29,091
Wages and salaries	462,610	465,574
Water rates	579	405
Website costs	-	4,675
Total expenditure	1,103,032	863,945
Operating (deficit) / surplus	<u>(34,061)</u>	<u>75,635</u>

The above statement of operations is to be read in conjunction with the disclaimer report set out on page 22.