



SUGAR CANE GROWERS COUNCIL



2020

ANNUAL REPORT

SERVING THE CANE GROWERS OF FIJI

Parliament of Fiji Paper Number 47 of 2021





Sugar Cane Growers Council

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18th November, 2021

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

Dear Sir,

RE: SCGC Annual Report 2020

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 1st August 2019 to 31st July, 2020.

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

Vimal Dutt
Chief Executive Officer

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CORPORATE STATEMENT

VISION

To Be the Pro-Active Grower Representative Organization, That Strives to Serve the Interests of The Cane Growers of Fiji.

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.

OBJECTIVES

- a) To effectively represent the interest of the cane growers as stakeholders in all aspects of the industry.
- b) To actively pursue and encourage the development of a sustainable and viable sugar industry.
- c) To take necessary measures to provide services to the cane growers to better facilitate their cane farming activities.
- d) To explore ways and means to reducing cost and increasing productivity and yield and adopting best practice methods which would encourage and facilitate this for the cane growers through better utilization of their existing resources.
- e) To conduct research and collect data in respect of cane farming activities and other related areas.
- f) To inform and educate the cane growers and the community on the issues relating to cane farming and the industry.
- g) To represent the growers and make investment on their behalf in areas related to the activities of cane growing and sugar manufacture.
- h) 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.

FUNCTIONS OF THE COUNCIL

The Council shall generally do all such things and take all such steps as it may consider necessary for the protection and development of the industry and of the interests of registered growers, and, in particular, to-

- a) Encourage and promote co-operation among registered growers and between registered growers and others engaged in the industry
- b) Remove and obtain redress of all legitimate grievances of individual registered growers, of registered growers generally or of registered growers of particular sector, district or mill area
- c) Provide registered growers with goods and services relating to the business of cane-growing and agricultural diversification
- 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
- f) Perform such other functions as many are assigned to the Council by this Act, Master Award or any other written law.
- g) The current target group consists of about 16,843 growers who are registered at this moment.

CHAIRPERSON'S REPORT

The Sugar Cane Growers Council's mission 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.

The 2020 financial year has been turbulent and unpredictable with the environmental impact of two tropical cyclones. Tropical Cyclone Sarai and Harold was experienced on the 24th December, 2019 and 08th April, 2020 respectively devastated our sugarcane farms which resulted in reduction to the cane production, still grieving from the devastation caused by these cyclones, our sugarcane growers have to endure the impact of COVID-19 pandemic.



Long before we knew COVID-19 Pandemic, the sugar industry worked on a strategy to improve cane production, better extension services, harvesting and transportation issues and this plan was a huge step towards the restructure and stability of the sugar industry.

Despite outbreak of COVID 19 which hindered growth of the economy, we remain optimistic that this is the decade of opportunities especially for Fiji. In line with this, the Fijian Government remains our main driver of growth. While the government of the day injected funds to improve the industry, other industry stakeholders tried all avenues to see that these funds were utilized properly to increase the production on the fields. We have also asked our growers to keep the wheels of the industry turning and to make every effort to support and assist the Government in its call for an uninterrupted food supply chain.

The Sugar Cane Industry is at a crucial point of its development. While the Government's support has helped immensely to stabilize the industry, through the Fertilizer Subsidy, Weedicide Subsidy, New Farmers Grant, Cane Planting Grant, Cane Access Road Grant, Cane Cartage Grant for growers in the Penang mill area and assurance of \$85 per ton of crops for three years has enticed many nil producers, working class and people who lost jobs due to COVID-19 impacts on tourism to turn to sugar cane farming.

Despite the challenges that resulted due to pandemic, SCGC continued to work closely with the growers, Government and all other stakeholders to ensure the revival of the industry.

On behalf of the Council, I take this opportunity to thank our Industry Partners, Stakeholders for their patience and support while also appreciating the immense dedication and commitment of our staff.

The Chief Executive Officer's (CEO) position was successfully filled in November, 2020.

In conclusion, the Council and its Management wishes to thank the Minister for Sugar Industry and the Government of Fiji for their continuing financial and moral support for the growers of Fiji and for having confidence in the Council.

Sanjay Kumar
Chairperson

CHIEF EXECUTIVE OFFICER'S REPORT

It has been a challenging but at the same time stimulating year for Sugar Cane Growers Council. The Council Management and staff remained committed in maintaining the highest standard of business integrity, transparency and professionalism in all its activities to ensure the affairs of the Council were managed ethically and with responsibility.



The year 2020 has been challenging for all individuals globally with the impacts of the COVID-19 Pandemic. The effects of COVID-19 pandemic on Fiji Sugar Industry were mitigated by strong responses. Council collaborated with relevant stakeholders and the growers in containing the spread of the virus in the cane belt areas. This enabled a successful field and factory operations throughout the entire year. The actual crop harvested for the season was 1,806,572 tonnes, which was slightly lower when compared to the previous season.

Amidst the unprecedented challenges faced by the growers during Tropical Cyclone Serai and the COVID pandemic, growers have remained resolute in their responsibilities of conducting field activities and in maintaining consistency in cane supply to the three factories. Eighty percent of the mechanical harvester owners and Cooperatives used to hire machine operators/drivers from India. However, due to international travel restrictions harvester owners had no choice and had engaged locals who were trained with limited available resources and the assistance of suppliers from India and FSC.

With the Sugar Industries across the globe being challenged of serious labour problem especially for cane harvesting and Fiji being no exception, Council continued to advocate and encouraged sugarcane growers to move towards mechanization by gradually realigning the fields. Sugar Cane Growers Council together with the Department of Cooperative managed to coordinate with growers and formed a number of Cane Farmer Co-operatives. These Co-operatives have invested into mechanical cane harvesters to arrest the ever-growing cane harvesting issues. In 2019/2020 a total of 87 mechanical harvesters were brought into Fiji and 34.9% of the total crop was harvested mechanically. Mechanization has contributed significantly in improving and providing consistency in daily cane supply to the factories.

The Council acknowledges the Government for its unwavering support to the Sugar Industry. The growers have greatly benefited from subsidies provided on farm inputs, funding for cane access road maintenance costs, cane planting grant, cane transfer allowance for Penang mill area growers, assistance to new farmers and also the guaranteed cane price of \$85 per tonne. This has brought the growers confidence back into the Sugar Industry which had depleted

over the years. Council is optimistic that Government will continue with its support and assistance through various initiatives to maintain a sustainable Sugar Industry.

Members of the Council comply with the code of good governance in improving the standard of Management in order to reduce costs and better resource utilization. Aligned to the organization's mission statement and core values, the Management team is fully involved in delegating responsibility and giving the training to its team members to maintain a continuous improvement in quality and grower satisfaction.

Our sincere appreciation goes to Mr. Sundresh Chetty the former Chief Executive Officer of Sugar Cane Growers Council who retired on 31st December 2020 for his 26 years of dedicated service and the role he played in maintaining Council's performance standards and commitment to excellence.

The Council besides providing effective grower representation, will continue to provide various services to its members. This includes administrative work, legal services, mediation and dispute resolution, preparation of tax returns, weedicide distribution, conducting awareness meetings and grower consultations to advocate on establishing a sustainable Sugar Industry. Council continues to encourage and entice younger generation into sugarcane farming.

In conclusion I would like to thank the Council members for providing the guidance and support to the management team in delivering timely services to our hardworking growers.

Sunil Deo Chaudhary
Chief Executive Officer [Acting]

COUNCIL MEMBERS



**SANJAY KUMAR
CHAIRPERSON**



**SUNIL DEO CHAUDHARY
ACTING CEO/SECRETARY**



**JOVESA VOCEA
COMMISSIONER NOTHERN DIVISION**



**JOJI SATAKALA
COMMISSIONER WESTERN DIVISION**



ABDUL SAMIM
LABASA CANE PRODUCERS ASSOCIATION



AMI CHANDRA
LABASA CANE PRODUCERS ASSOCIATION



RADHA KRISHNAN
RARAWAI PENANG CANE PRODUCERS
ASSOCIATION



DAVENDRA NATH
RARAWAI PENANG CANE PRODUCERS
ASSOCIATION

COMPOSITION OF THE COUNCIL

The Council consists of 9 members appointed by the Minister for Sugar Industry however; currently we have only 7 members in the Council due to decertification of Lautoka Cane Producers Association the two Councillors resigned.

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**
 - i. Mr. Radha Krishna
 - ii. Mr. Davendra Nath
- (ii) **Labasa Cane Producers' Association**
 - i. Mr. Ami Chandra
 - ii. Mr. Abdul Samim
- (iii) **Lautoka Cane Producers' Association**
Vacant

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

Mr. Joji Satakala

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

Mr. Jovesa Vocea

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

Director Sugar Industry – Mr. Sanjay Kumar [Chairperson]

COUNCIL MEETINGS

The Council had 3 meetings during the financial year ended 31st July, 2020. The regular business of the Council during its meetings covers corporate governance, financial performance and risk management, business management and strategic matters. Council also deliberates on challenges and concerns raised by the growers and tries to find gracious resolution to develop sustainable sugar industry.

ABOUT SUGAR CANE GROWERS COUNCIL

Under the Sugar Industry Act No.8 of 1984 under section 31 the Sugar Cane Growers Council (SCGC) was established 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 used to be fully funded by the cane growers themselves through a levy from the cane proceeds for Administrative Expenses. From the year 2016 government decided to pay the levy on behalf of growers in form of annual grant to the council for operating and administrative expenses.

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 SCGC are managed by the Chief Executive Officer with the assistance of 25 staff members. The SCGC serves 38 sectors.

OUR PEOPLE

Improving the skills, knowledge and aptitude of Council's personnel towards work is as important to Sugar Cane Growers Council achieving its corporate objectives.

In this regard, the Council continues to encourage all staff in improving their academic and technical qualifications through locally based universities or tertiary centres.

The Council has a cadre of experienced personnel within its management team who have a combined experience of over 50 years. The depth of local knowledge and institutional memory is significant when mixed with staff who, bring with them a diverse range of skills and intellect that allows the Council to effectively manage its operations.

The Council values the trust placed on it by Government through its financial support and assistance to continue to deliver its role to all cane growers of Fiji.

SUGAR CANE GROWERS

The past year has been a challenging one for the cane growers, the miller and wider Sugar Industry community of Fiji but our resilience and unity amongst stakeholders carried the industry forward. While the weather and the world sugar price put a dip in production and profitability, through cooperation and dedication amongst stakeholders and Government support we are meeting our obligation. Over 200,000 people of Fiji are directly or indirectly dependent on the Sugar Industry. Approximately 11,638 growers actively grow cane individually running very small family cane farms (an average of 4 hectares/ 10 acres), with the majority producing less than 300 tonnes per year.

From generations the growers have been facing a lot of challenges that have led to many growers move to urbanized areas in the quest of easier and better jobs. Currently most of the farm areas are efficiently utilized by farmers of older generation. Most growers plant and harvest manually, using hired labourers (casual) at a higher cost. The challenges are being mitigated with the combined efforts of the Government and Industry Stakeholders. Mechanization is now being developed: besides the importance of such an investment, small-scale farming and difficult terrains are not appropriate to mechanization.

The main objectives of the Sugar Industry Act are to establish the various bodies which govern the industry. Growers' confidence is building up with the continued support from government through guaranteed price of cane at \$85 per tonne for the next three seasons beginning 2018 and through grants and subsidies to minimizing the cost of production for the cane growers.

REGULATORY FRAMEWORK

The structure and the organization of the Sugar Industry in Fiji are extremely regulated, based on the Sugar Industry Act 1984. The main objectives of the Sugar Industry Act are to establish the various bodies which govern the industry. The relationship between the millers and growers has been the subject of Master Award, which set out in great detail the rights and obligations of the two parties. In 2019, the total number of registered growers in the country was 16,843 with 1,875 number of cane harvesting gangs. Below is the summary of all district growers and gangs.

District	Rakiraki	Tavua	Ba	Lautoka	Nadi	Sigatoka	Labasa	Seaqaqa	Total
No. of Growers	1,772	1,679	3,715	2,128	2,200	1,171	3,499	6,799	16,843
No. of Harvesting Gangs	189	144	355	216	268	108	426	169	1,875

OPERATIONAL REVIEW

The Management of the Sugar Cane Growers Council takes pleasure in presenting its 2020 Report.

WEATHER

In the year 2020, the adverse effects of TC Sarai and TC Harold had a very devastating impact on the 2020 crop. Despite substantial investments in crop development, the Sugar Industry is struggling to mitigate the effects of Climate Change and frequent Tropical Cyclones. Severe Tropical Cyclone Harold affected Fiji Islands on early hours of Wednesday, 8th April 2020. The category 5 cyclone affected Vanuatu, however it downgraded to category 4 when it entered Fiji waters. The high wind intensity and the momentary gusts caused significant damage to crops especially sugarcane in Viti Levu and Vanua Levu. In majority of the fields across the cane belt the crop had lodged.

Table 1: Rainfall (Mm) For All Mills – August 2019 to August 2020

Mills	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Total
Lautoka Mill														
Rainfall (mm)	14.4	92.1	112	99.7	172	114	204	595	244	198	60	75	20	1999
Days	7	9	21	11	16	12	8	25	17	8	2	2	2	140
Rarawai Mill														
Rainfall (mm)	12.7	130.6	84.9	108.2	190	88	121	534	276	211	51	8	29	1843
Days	2	5	11	8	7	12	10	25	16	9	9	3	3	120
Penang Mill														
Rainfall (mm)	197	74.8	44.1	96.8	160.4	128	170	446	166	276	58	0	39	1855
Days	6	7	11	9	9	18	18	27	16	10	20	1	3	155
Labasa Mill														
Rainfall (mm)	43.8	94.6	158.1	127.3	357	166	205	726	187	57	62	37	135	2355
Days	8	10	20	16	21	17	9	28	25	11	13	3	4	185

Source: Sugar Research Institute of Fiji

CROP

A crop of 1,850,000 tonnes of cane was forecasted for the year 2019, and the actual crop harvested at the end of the season was 1,806,572 tonnes. Sufficient rainfall during peak cane growing period, increased planted cane composition to 4700 Ha and good husbandry

practices by farmers coupled with adequate fertilizer inputs through government subsidy has attributed to the increase in the crop in comparison to 2018 season which was 1,697,370.



2019 CROP FORECAST AGAINST ACTUALS

The table below illustrates the estimated and actual crop harvested for the 2019 season.

Mill	Pre – Crush (Estimate)	Actual
Lautoka	487,000	474,914
Rarawai	527,000	523,920
Labasa	673,000	661,929
Penang	163,000	145,809
All Mill	1,850,000	1,806,572

The 2020 season crop also looked promising with many growers taking advantage of conducive weather during the cane planting period and Sugarcane Development Program grant to establish new crop.



The table below shows the new cane planted in respective mill areas for harvest in 2020 season:

Mill	Area Planted (Ha)
Lautoka	561
Rarawai	888
Labasa	1013
Penang	387
Total	2849



Crop damage in Lautoka mill area was more pronounced as the crop in many fields had broken tops, shattered leaves and in some cases stool tipping. The heavy down pour during the cyclone had also caused water logging in low-lying fields.

The devastation caused by the cyclone on the crop will have adverse impact on next seasons harvest and overall production.



CANE PRODUCTION 2013 - 2019

District/ Mill	2013	2014	2015	2016	2017	2018	2019
Lautoka	229,365	230,457	148,002	193,166	193,166	203,597	217,402
Nadi	247,193	206,644	156,936	169,436	169,436	178,736	180,535
Sigatoka	77,655	83,964	67,342	66,949	66,949	75,145	76,978
Lautoka Mill Total	554,213	521,065	372,280	429,551	429,551	457,478	474,914
Rarawai	434,458	384,458	217,292	312,979	312,979	362,114	392,529
Tavua	118,556	106,334	51,578	94,881	94,881	117,511	131,391
Rarawai Mill Total	553,014	490,792	268,870	407,860	407,860	479,625	523,920
Labasa	418,106	515,760	502,969	527,503	527,503	474,763	485,251
Seaqaqa	126,242	146,840	150,384	148,227	148,227	145,565	176,678
Labasa Mill Total	544,348	662,600	653,353	675,730	675,730	620,328	661,929
Penang Mill Total	180,571	170,130	91,806	118,231	118,231	139,939	145,809
GRAND TOTAL	1,610,353	1,832,146	1,844,587	1,386,309	1,631,372	1,697,370	1,806,572

CRUSHING SEASON

The 2019 crushing season for three mills commenced in late June and after processing 1.8m tonnes of cane, the mills terminated crush in early December. During the season growers faced lot of challenges while trying to harvest and deliver the crop to the mills. Milling inefficiencies, poor rail transport performance coupled with recurrent adverse weather conditions during the season affected the harvesting operations with growers incurring additional costs. Council in collaboration with other Sugar Industry Stakeholders tried its best to resolve issues and mitigate some of the challenges encountered by the growers to leverage the field operations.



TOTAL CANE CRUSHED AND STANDOVER CROP FOR 2019 SEASON

MILL	TOTAL CANE CRUSHED (Tonnes)	STANDOVER (Tonnes)	TOTAL CROP (Tonnes)
LAUTOKA	474,914	8267	483,181
RARAWAI	669,729	2910	672,639
LABASA	661,929	5055	666,984
ALL MILL	1,806,572	16,232	1,822,804



Manual harvesting of sugarcane has become a grave challenge for Sugar Industry. In the bid to mitigate increasing labour issues and to promote mechanization, growers were encouraged to form cooperatives. In this season, 28 new mechanical sugarcane harvesters were brought into the country by grower cooperatives, Fairtrade Cane Producer Associations and Individual investors. A total of 87 mechanical harvesters operated during this crushing season and harvested 629,762 tonnes. Overall, 35% of the crop was harvested mechanically [billet cane] and this had significantly improved the daily cane supply to the factories. With the current trend we expect more than 50% of the crop to be harvested by machines in coming years.

The table below shows the billet cane for past three years from respective mill areas:

Area	2017	2018	2019
Lautoka	110,965	150,934	202,871
Rarawai	77,287	132,999	152,913
Labasa	107,171	176,718	242,786
Penang	11,590	26,387	31,192
Total	307,013	487,038	629,762

CANE ACCESS ROAD

The 2019/2020 Cane Access Road [CAR] maintenance program was successfully accomplished. As a result, there was nil standover cane due to poor cane access roads. CAR National Steering Committee provided policy guidelines on the utilization of the Government grant. The actual planning, monitoring and assessing of the task was headed by FSC with the assistance of personnel from Ministry of Sugar Industry and Sugar Cane Growers Council. Under this program, the total cost of each road, crossing maintenance and supply of culverts paid through the grant funds.

The table below shows the number of roads and total length of roads repaired in each mill area.

Mill	Number of Roads	Kilometres	Total Cost (\$)
Lautoka	973	1264.5	1,179,020
Rarawai	842	1211.3	1,104,103
Labasa	1028	920.4	1,111,395
Penang	424	370.6	317,785
All Mills	3267	3766.8	3,712,304



The above road has been maintained in Varoko sector



A bridge in Waiqe Sector after repair

CANE PRICE & PAYMENTS

From the guaranteed cane price since 2018, Growers have received a total of **\$156.5** million as top up cane payment in addition to grants and subsidies. Breakdown of cane price for past three years is provided below:

Season	Actual Price as per Sugar Proceeds	Government guaranteed Price [Top Up]
2018	\$54.06	\$30.94
2019	\$54.01	\$30.99
2020	\$57.22	\$27.78

For 2019 season, Growers received a total payment of \$54.01 per tonne of cane against the forecast price of \$63.17. Government top up of \$30.99 accounted to guaranteed price of \$85 per ton.

The growers received 60% (\$37.90) of the forecast price in the delivery payment. The second cane payment of 20% (\$12.63) of the forecast was received five weeks after termination of crushing in each mill. A third and fourth cane payment of \$11.00 and \$13.73 respectively were later paid to the growers with the final cane payment of \$7.62 paid for the year 2019.

The cane payments for the past fifteen (15) years are listed below: -

CANE PAYMENT								
Season	Forecast	Delivery	Second	Special	Third	Fourth	Final	Total
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	-	3.50	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	3.05	9.28	10.57	6.54	82.00
2017	65.63	39.38	13.13	-	13.45	15.14	3.90	85.00
2018	66.08	39.65	13.22	-	8.15	12.50	11.48	85.00
2019	63.17	37.90	12.63	-	11.00	13.73	7.62	82.88
2020	64.17	38.50	12.83		8.37	10.31	12.05	82.06

SERVICES PROVIDED BY SCGC

WEEDICIDE DISTRIBUTION

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

The record for weedicide by each district in the financial year 2020 is listed below:

AUGUST 2019 TILL JULY 2020 WEEDICIDE UPTAKE BY GROWERS IN ALL THE 8 DISTRICTS										
District	No. of Growers Served	Diuron		Amine		Glyphosate		Valpar		Total Sales
		KG	Value	Liters	Value	Liters	Value	KG	Value	
Rakiraki	2575	11063	\$ 106,531.34	4694	\$ 84,520.43	4128	\$ 54,712.99	3488	\$ 43,979.90	\$ 289,744.66
Tavua	2152	5894	\$ 56,756.21	3669	\$ 66,081.48	3042	\$ 40,303.41	4327	\$ 54,558.39	\$ 217,699.49
Ba	5195	22554	\$ 217,180.05	11303	\$ 203,337.86	8391	\$ 111,252.73	12878	\$ 162,376.22	\$ 694,146.86
Lautoka	2534	13636	\$ 131,304.96	5297	\$ 95,333.84	3138	\$ 41,606.49	3613	\$ 45,556.09	\$ 313,801.38
Nadi	2507	12119	\$ 116,699.43	5025	\$ 90,405.00	3027	\$ 40,169.31	1982	\$ 24,990.30	\$ 272,264.04
Sigatoka	934	2982	\$ 28,712.80	1770	\$ 31,710.20	743	\$ 9,876.09	932	\$ 11,751.52	\$ 82,050.61
Labasa	6263	17155	\$ 165,187.22	13136	\$ 236,071.47	11313	\$ 150,088.44	7654	\$ 96,502.40	\$ 647,849.53
Seaqaqa	1522	6034	\$ 58,101.59	4436	\$ 79,726.12	3444	\$ 45,665.32	7274	\$ 91,716.72	\$ 275,209.75
Total	23682	91437	\$ 880,473.60	49330	\$ 887,186.40	37226	\$ 493,674.78	42148	\$ 531,431.54	\$ 2,792,766.32

Amine is a post-emergent weed killer used to eliminate broadleaf weeds and brush.

Diuron is a post-emergent, non-selective herbicide designed to control various types of grasses and broadleaf weeds. It can also be used as a selective pre-emergent herbicide in croplands. It controls barnyard grass, crabgrass, quack grass, pigweed, horseweed, and more.

Glyphosate is applied to the leaves of plants to kill both broadleaf plants and grasses. The sodium salt form of glyphosate is used to regulate plant growth and ripen specific crops.

Valpar King can control a wide range of annual and perennial grasses, broadleaf weeds and vines in established sugar cane.

CANE CUTTERS KNIFE SALES

Council has continued to assist growers by facilitating Sale of Cane cutting knives from all its 8 district offices at a very affordable price of \$18 per set. Since 1st of August 2019 till 31st July 2020, we have sold a total of 1126 knife sets. In the 2020 crushing season the demand for knives have increased significantly in comparison to last year.

District	Lautoka	Nadi	Sigatoka	Ba	Tavua	Rakiraki	Labasa	Seaqaqa	Total
No. Sold	184	196	49	281	227	30	103	56	1126

LEGAL SERVICES TO GROWERS

SCGC provides a range of legal services to the cane growers at a very reasonable cost. The demand for our legal services are increasing day by day if we compare it from last year for the same period, we had only served 1634 growers. This reflects that there is 40% increase in the legal services. After the abolishment of Stamp duties, we will also be reviewing our legal fees to be reduced.

The number of legal services provided from 1st August 2019 to 31st July 2020.

LEGAL SERVICES – 1 st August 2019 to 31 st July 2020	
INSTRUMENTS	COUNT
Probates/Letters of Administration	132
Transmission By Death	39
Powers of Attorney (POA)	156
Revocation of Powers of Attorney	52
Transfer of Farms	130
Wills	305
Deed Of Appointment/Retirement	6
Request for Provisional Title/Lease	6
Request For Certified Copies of Lease, Probates, Powers of Attorney, Farm Transfer	61
Sales And Purchase Agreement	38
Instrument of Tenancy	2
Legal Advice and Notices	723
Tenancy Agreements & Labour Employment Contracts	15
Mediation	10
Referrals – Grower Governance/ Legal Related	680
TOTAL	<u>2355</u>

CANE LEASES

The Council continue to act on behalf of the grower and engages in negotiations with the iTaukei Land Trust Board and the Department of Lands and Mineral Resources to amicably resolve the issues affecting the cane growers. The pending cases with the Department of Lands and iTLTB is being regularly followed up to obtain latest progress and to update the growers concerned.



GROWERS CONSULTATION

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

Issues addressed were related to as follows:

- Crop development Initiatives
- Harvesting and transportation of cane
- Developing plans for cane access roads repair and maintenance
- Government Support Programs
- Growers' welfare programs
- Stakeholder matters
- Requirements and guidance to accessing loans with Sugar Cane Growers Fund (SCGF)
- Soil & crop management /Crop Diversification
- Explaining the importance of cane farming to increase cane production
- Advocacy on the Council's Services to growers

CONSULTATION WITH GROWERS



Field Day at Labasa, Northern Division

GROWER SERVICES

SCGC provides various services to the sugar cane growers through its eight-district offices and Head office in Lautoka. These services are on demand basis and a total of 56,441 growers visit were recorded from 1st of August 2019 to 31st July 2020. The table below reflect the detailed report: -

Activities August 2019 - July 2020 Report									
Growers Services	Rakiraki	Tavua	Ba	Lautoka	Nadi	Sigatoka	Labasa	Seaqaqa	Total
CPG - Verification/Monitoring	255	256	421	336	304	105	423	22	2122
Cane Access Road	299	203	303	215	224	90	580	34	1948
Drainage Report	92	37	23	47	20	16	8	28	271
Small Grant Scheme	1	2	2	2	0	15	10	107	139
New Farmers Assistance	22	12	2	43	22	20	349	48	518
Substitute/Cutters Agreement	29	114	99	319	40	95	217	28	941
MOGA	34	119	303	32	127	8	97	15	735
COR amendment Application	22	22	66	112	6	10	37	19	294
New Registration	12	14	16	62	2	12	42	5	165
COR replacement	17	11	20	101	7	5	8	3	172
Gang Matters	80	99	37	36	126	151	44	157	730
Gang Rationalization	3	17	46	1	0	1	0	41	109
Split Registration	39	0	0	17	0	2	5	2	65
Increase Harvesting Rates	173	180	609	85	47	30	148	101	1373
Cane Payment	481	134	78	160	147	186	101	177	1464
Individual Harvesting	97	76	26	12	1	0	0	0	212
Substitute Dispute	15	21	4	5	3	5	51	5	109
Burnt Cane Report	77	62	60	7	5	0	63	17	291
Gang Disputes	11	19	7	11	1	2	42	23	116
Land Rent Appeal/Renew	182	11	2	33	0	18	2	11	259
Crop Damage Report	3	1	19	10	50	26	30	7	146
Harvesting Bond	26	0	1	0	0	0	0	0	27
Additional Ticket Book	39	5	4	0	0	0	9	4	61
Weedicide Sales/Distribution	2895	2297	5732	3023	2834	1004	7103	1437	26325
Knife Sale/Distribution	10	111	98	39	85	29	91	18	481
IncomeTax Return	404	342	745	485	316	195	1012	164	3663
Lorry Wheel Tax Declaration	0	0	0	23	0	0	0	0	23
VAT returns	0	0	0	74	0	4	0	1	79
Legal Services	562	180	268	564	55	138	108	49	1924
Transfer of Registration	114	17	22	39	11	22	18	1	244
Land rent object/Transfer	18	13	4	25	0	9	4	0	73
Grower Consultations Meeting	272	318	193	251	105	137	820	472	2568
General Services	1274	731	637	994	817	504	803	483	6243
General Enquires	579	347	961	174	76	86	144	184	2551
Total	8137	5771	10808	7337	5431	2925	12369	3663	56,441

COVID- 19 PANDEMIC

On Thursday, the 19th of March 2020, Fiji confirmed its first case of the novel corona virus, known as COVID-19. In order to prevent the spread of the pandemic on large-scale, stringent rules were placed to protect the people of Fiji.

Social distancing and restricted gatherings, affected Grower associations, consultation meetings have been kept to a minimal. The harvesting preparation and commencement of crush was generally slow due to the effects of Covid-19. While the Memorandum of Gang Agreement (MOGA) was issued to the gangs in May, they faced difficulty in organizing harvesting gang AGM and arranging cutters from remote villages due to Covid-19 restrictions. Another major constraint was travel of harvester operators from India due to border closure. Since 80% of the Mechanical harvester cooperatives and associations were relied on Indian operators. Despite, training of local operators, the harvester owners continue to face challenges with harvesting. Some instances the machine sustained damages due to inexperienced operators. Lack of technical support is another huge challenge for the harvester owners due to unavailability of Indian technicians.

There was a reduction in cane planting grant in the COVID-19 response budget from \$4.0 m to \$500,000 has greatly impacted the planting programs. Also during pandemic lockdown period there were minimal services offered to our growers considering all restrictions.

The impact on grower's governance matters such as delay in settlement of legal documents such farm transfers due to limited movement of documents.

After certain restrictions being uplifted, SCGC operations have actually increased with the hospitality industry being down, people are showing more interest in the sugar industry. More and more people are approaching our offices to enquire about sugarcane farming.

GROWERS WELFARE

MICRO BUNDLED INSURANCE

The Micro Bundled Insurance was introduced to Growers in the year 2017 by Sugar Cane Growers Fund (SCGF) on a three-year commitment in paying the annual premium of \$52.00 on behalf of Growers. Sugar Cane Growers Council encourages growers to join the Micro Bundled Insurance for their benefit as well as their families.

The product provides a cover for Term Life and Funeral benefit of \$4000, House fire of \$3000 and personal accident of \$3000 adding to total cover of \$10,000.

GOVERNMENT ASSISTANCE TO GROWERS

CANE PLANTING GRANTS

Government had allocated \$500,000 as cane planting grant. 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.



NEW CANE FARMERS ASSISTANCE SCHEME

SCGC has continued to assist individuals to fill application forms and compiling necessary documents for the New Cane Farmer Assistance Scheme through the eight district offices. All new applications are received by the Council and then submitted to Ministry of Sugar for processing. Field verification for all new applications is jointly carried out by Sugar Industry Tribunal, Sugar Cane Growers Council and Fiji Sugar Corporation representatives. Once the verification is completed, the National Steering Committee which comprises of all the Sugar Industry Stakeholders including SCGC meets to finalize the successful applications.

FERTILIZER SUBSIDY

The Government subsidises the cost of fertiliser to increase supply to sugarcane farmers. This allocation has been increased due to Government raising its subsidy from \$14.09 to \$25.59 per 50kg bag (\$15.6 million).



WEEDICIDE SUBSIDY

SCGC has continued to distribute weedicide to the growers under the Government subsidy program from all its district offices. Under the program growers pay only 45% of the retail price while 55% is subsidized by the government. South Pacific Fertilizers Limited (SPFL) supplies weedicide to SCGC for distribution while FSC issues purchase orders to individual growers for pickup from district offices.



Picture: Intercropping with cane

CANE ACCESS ROAD (CAR) REPAIR AND MAINTENANCE

A total of 3267 cane access roads with a total length of 3766.8 km across the entire cane belt was maintained in 2019 season to assist growers to transport their produce to the sugar mills. The project cost was approximately \$3,712,304 and funds were derived from the Government 2019/2020 budget for repair and maintenance of cane access roads. The administration of the grant was done by the Ministry of Sugar Industry while SCGC and FSC provided the support in the implementation and monitoring of the project.

SUGAR CANE GROWERS COUNCIL

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

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**SUGAR CANE GROWERS COUNCIL
MEMBER'S REPORT
FOR THE YEAR ENDED 31 JULY 2020**

In accordance with a resolution of the stakeholders, the Council herewith submit the statement of financial position of Sugar Cane Growers Council ("the Council") as at 31 July 2020, 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 name of the Members at the date of this report and at any time during the financial year and up till the date the financial statements were authorised for issue are as follows:

- ▶ Sanjay Kumar
- ▶ Abdul Samim
- ▶ Ami Chandra
- ▶ Devend Dharmend Nath
- ▶ Radha Krishna
- ▶ Mesake Ledua (appointed on 13 August 2020)
- ▶ Uraia Rai (appointed on 13 August 2020)

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 July 2020 and the accompanying statement of comprehensive income and accumulated funds and the statement of cash flows give a true and fair view of the results, changes in funds employed and cashflows of the Council for the year then ended.

Principal activity

The principal business activity 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.

Results

The total comprehensive income for the year amounted to \$1,083 (2019: restated total comprehensive loss of \$35,030).

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.

As at the date of this report, the Members are not aware of any circumstances, which would render the values attributed to current assets in the Council's financial statements misleading.

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 loss.

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

Related party transactions

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

Basis of accounting

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

**SUGAR CANE GROWERS COUNCIL
MEMBER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

Unusual transactions

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the Members, the results of the operations of the Council during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the Members, to affect substantially the results of the operations of the Council in the current financial year, other than those reflected in the financial statements.

Significant events during the year

During the financial year, the Novel Coronavirus (COVID-19) was declared a pandemic in March 2020 by the World Health Organization. There have been considerable economic impacts in Fiji and globally arising from the outbreak of COVID-19 and Government action to reduce the spread of the virus. The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Fijian and other governments as well as the travel restrictions imposed by Fiji and other countries in early 2020 have caused disruption to the businesses and economic activity.

COVID-19 has not had a major impact on the operations of the Council. The Council continues to operate at our original planned or expected levels. As at the date of these financial statements, the Council has factored in its forecasts the anticipated effects of COVID-19 on its operations based on conditions at this time. While the Council's current year results have reflected the effects of COVID-19 through end of July 2020, the longer-term impact of COVID-19 situation will depend on future developments and Governments' varying effort which the Members and management will continue to monitor.

Apart from the exception above, no other matter or circumstances have arisen during the financial year which significantly affected the operations of the Council.

Events subsequent to balance date

Subsequent to year end, management on the advice of the Board, redeemed \$400,000 worth of its shares in Unit Trust of Fiji which is now held as a term deposit with Bank of Baroda. The term deposit yields interest of 2.35% per annum with maturity of a year.

On 12 November 2020, Vimal Sachin Dutt commenced his role as the Chief Executive Officer of the Council.

Apart from the exceptions above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

Other circumstances

As at the date of this report :

- (i) no charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Council could become liable; and
- (iii) no contingent liabilities or other liabilities of the Council has become or is likely to become enforceable within the year of twelve months after the end of the financial year which, in the opinion of the Member, will or may substantially affect the ability of the Council to meet its obligations as and when they fall due.

As at the date of this report, the Members are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Council's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.

For and on behalf of the stakeholders in accordance with a resolution of the Members this 16th day of December 2020.



Council member



Council member

Independent Auditor's Report

To the Members of Sugar Cane Growers Council

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sugar Cane Growers Council ("the Council"), which comprise the statement of financial position as at 31 July 2020, the statement of comprehensive income and accumulated funds 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, the accompanying financial statements give a true and fair view of the financial position of the Council as at 31 July 2020, and 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 Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 Council in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Financial Statements

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

In preparing the financial statements, management and those charged with governance are 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 and those charged with governance either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

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

Auditor's 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 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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Independent Auditor's Report (continued)

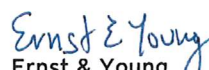
Auditor's Responsibilities for the Audit of the Financial Statements (continued)

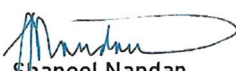
As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ 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 the 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 material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


Ernst & Young
Chartered Accountants


Shaneel Nandan
Partner
Nadi, Fiji
16 December 2020

**SUGAR CANE GROWERS COUNCIL
STATEMENT OF COMPREHENSIVE INCOME AND ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 JULY 2020**

	Notes	2020 \$	2019 \$ Restated*
Sale of weedicide		2,562,171	2,160,898
Cost of sales -weedicide		(2,592,212)	(2,189,217)
Gross loss		(30,041)	(28,319)
Grant income	2.1	608,855	1,198,569
Other income	2.2	374,769	451,362
Administrative expenses	2.3	(552,724)	(608,490)
Other operating expenses	2.4	(436,323)	(1,071,914)
		(35,464)	(58,792)
Finance income	2.6	36,547	23,762
Surplus/(deficit) before income tax		1,083	(35,030)
Income tax expense		-	-
Net surplus/(deficit) for the year		1,083	(35,030)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year, net of tax		1,083	(35,030)
Accumulated fund at the beginning of the year		3,630,063	3,665,093
Accumulated fund at the end of the year		3,631,146	3,630,063

* See note 17.

The accompanying notes form an integral part of the statement of comprehensive income and accumulated funds.

**SUGAR CANE GROWERS COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020**

	Notes	2020 \$	2019 \$ Restated*	1 August 2018 \$ Restated*
Current assets				
Cash and cash equivalents	3	1,246,228	904,864	1,783,592
Held to maturity investments	4	650,000	650,000	450,000
Inventories - finished goods		34,005	42,965	33,153
Receivables	5	1,059,159	1,671,242	1,085,816
Prepayments	6	74,229	112,927	44,073
Investments	7	400,000	-	-
		<u>3,463,621</u>	<u>3,381,998</u>	<u>3,396,634</u>
Non-current assets				
Property, plant and equipment	8	1,070,737	1,187,541	1,292,272
Intangible assets	9	5,409	2,923	4,279
Investments	7	355,523	772,820	686,805
Held to maturity investments	4	100,000	100,000	100,000
		<u>1,531,669</u>	<u>2,063,284</u>	<u>2,083,356</u>
Total assets		<u>4,995,290</u>	<u>5,445,282</u>	<u>5,479,990</u>
Current liabilities				
Deferred income	11	6,442	6,442	2,133
Trade and other payables	10	1,310,763	1,734,684	1,153,163
Unexpended project fund	12	4,167	11,536	610,244
Employee benefit obligations	13	38,461	51,804	27,853
		<u>1,359,833</u>	<u>1,804,466</u>	<u>1,793,393</u>
Non-current liabilities				
Deferred income	11	4,311	10,753	21,504
Total liabilities		<u>1,364,144</u>	<u>1,815,219</u>	<u>1,814,897</u>
Net assets		<u>3,631,146</u>	<u>3,630,063</u>	<u>3,665,093</u>
Funds employed				
Funds employed		<u>3,631,146</u>	<u>3,630,063</u>	<u>3,665,093</u>
Total funds employed		<u>3,631,146</u>	<u>3,630,063</u>	<u>3,665,093</u>

* See note 17.

Signed on behalf of the Board.



Council member



Council member

The accompanying notes form an integral part of the statement of financial position.

**SUGAR CANE GROWERS COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020**

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Receipts of growers levy from Fiji Sugar Corporation		2,841	2,098
Receipts from weedicide sales		3,171,413	1,573,374
Government grant received		595,044	593,419
Other receipts		392,066	348,921
Payments to suppliers and employees		(3,845,426)	(3,201,172)
Net cash from/(used in) operating activities		315,938	(683,360)
Cash flows from investing activities			
Interest received	2.6	36,547	23,762
Acquisition of property, plant and equipment and software	8	(11,121)	(19,130)
Investment in term deposits	4	-	(200,000)
Net cash flows from/(used in) investing activities		25,426	(195,368)
Net increase/(decrease) in cash and cash equivalents		341,364	(878,728)
Cash and cash equivalents at 1 August		904,864	1,783,592
Cash and cash equivalent at 31 July	3	1,246,228	904,864

Material non-cash investing activity related to re-investment of dividend income earned in Unit Trust of Fiji (refer note 15).

The accompanying notes form an integral part of the statement of cash flows.

**SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

1.1 Reporting entity

The financial statements of Sugar Cane Growers Council for the year ended 31 July 2020 were authorised for issue in accordance with a resolution of the Council members on 16th December 2020. 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 74 Drasa Avenue, Lautoka.

The principal activity of the Council is described in Note 21.

1.2 Basis of preparation of financial statements

The financial statements of the Council have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board.

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

1.3 Summary of significant accounting policies

(a) Foreign currency translation

The Council's financial statements are presented in Fijian dollar, which is also the Council's functional currency.

Transactions in foreign currencies are initially recorded by the Council at the functional currency rates prevailing the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the currency rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.

(b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured in accordance with realisation principle, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and consumption tax. The following specific criteria must also be met before revenue is recognised:

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 the Fiji Sugar Corporation is deducted from the grower's share of proceeds of sale of sugar, molasses and other by-products. Effective 1 January 2016, the growers levy was replaced by the government grant to meet the administrative and operational expenses of the Council.

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.

Government and European Union Grant

Grants from the Government and the Pacific Community 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 compensate.

Other income

Other income from operating activities are recognised in profit or loss on an accrual basis.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

1.3 Summary of significant accounting policies (continued)

(b) Revenue recognition (continued)

Dividend income

Dividend income is recognised from investment in South Pacific Fertilizer Pte Limited. The Council has 9.4% stake in the company. This investment was written down in the accounts in prior years considering the going concern risk of the investee.

Rental income

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

(c) Income tax

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

(d) Financing income

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

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any.

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 carrying amount of the property, plant and equipment, and is recognised net within other income/ other operating expenses in profit or loss.

(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.

(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.

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

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

(f) Financial instruments

(i) Non- derivative financial asset

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

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

1.3 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(i) Non- derivative financial asset (continued)

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 receivable.

Trade and other receivables

Sales are generally on the basis of normal credit terms, and the receivables do not bear interest. Trade receivables are initially measured at their transaction price. Where credit is extended beyond normal credit terms or otherwise the arrangement constitutes a financing transaction, receivables are initially measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument. Subsequently measurement is at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with a maturity of three months or less. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

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 recognised initially at fair value plus any directly attributable transaction costs. Held to maturity financial assets comprise of 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 purchases 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 of investments in Unit Trust of Fiji.

(ii) Non- derivative financial liability

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.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

1.3 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Non- derivative financial liability (continued)

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 of payable and other accruals.

(g) 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 required. 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.

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 and loss.

(ii) Impairment of non-financial assets

The Council assesses at each reporting date whether there is an indication that an asset may be impaired. Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(h) Employee benefits

(i) Defined contribution plan / superannuation

Contributions are paid to the Fiji National Provident Fund on behalf of employee's 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 employee's 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. Long service leave is payable once the staff has served for more than 10 years or 15 years.

(ii) 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 provided.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

1.3 Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

(ii) Short-term benefits (continued)

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.

(i) 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.

(j) Deferred income

Computer equipment acquired via donation from the European Union are capitalised and depreciated in accordance with Note 1.3 (e), with the related grant being credited to deferred income as the liability and released to profit or loss over the expected useful economic life.

(k) Unexpended project funds

Unutilised donor monies at year end used for cash grant which is received for utilization in more than one financial period is treated as unexpended project funds.

(l) Intangibles

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

(m) Leases

Leases are classified as operating leases. Rental payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

(n) Value Added Tax (VAT)

The Council complies with VAT under the Second Schedule of the VAT Decree 1991.

(o) Comparative figures

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

	2020 \$	2019 \$
2. Revenue and expenses		
2.1 Grant income		
Government - Sugar levy	595,046	593,419
- Small Grant Scheme (refer Note 2.4)	7,367	598,708
	<u>602,413</u>	<u>1,192,127</u>
 The Pacific Community - Donated assets	 6,442	 6,442
 Grant income	 <u>608,855</u>	 <u>1,198,569</u>

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

	2020	2019
		Restated
2. Revenue and expenses (continued)	\$	\$
2.2 Other income		
Dividend income	78,069	70,005
Gain on investments carried at fair value	(38,966)	63,010
Rental income	109,976	83,401
Legal income	76,209	70,044
Knife sales	18,717	15,838
Directors fees and hall hire	24,513	60,607
Weedicide administration fee	106,251	88,457
	<u>374,769</u>	<u>451,362</u>
2.3 Administrative expense	\$	\$
Bank charges	979	993
Meeting costs	12,145	18,874
Personnel expenses (refer note 2.5)	539,600	588,623
	<u>552,724</u>	<u>608,490</u>
2.4 Other operating expenses	\$	\$
Advertising	1,447	1,692
Audit fees	6,630	6,447
City rates	683	679
Cleaning	9,445	11,840
Depreciation and amortisation	125,247	125,217
Donation	100	450
Electricity	21,606	23,617
Fringe benefit tax	2,356	2,499
Growers accountant's fees	5,000	5,000
Hospitality	2,161	2,329
Insurance	18,442	17,343
Information technology	3,780	3,937
Legal department expenses	45,270	47,633
Medical expenses	14,101	13,534
Motor vehicle expenses	23,348	31,455
Office expenses	16,112	8,801
Postage	3,257	3,748
Professional services	25,141	3,406
Purchase of knives	15,070	7,380
Rent	44,124	41,319
Repairs and maintenance	7,392	59,335
Security expenses	4,591	7,044
Staff training	513	769
Stationery and printing	14,246	18,050
Subscriptions	4,647	6,902
Small Grant Scheme supplier payments	7,367	598,708
Telephone	13,769	21,786
Water rates	478	994
	<u>436,323</u>	<u>1,071,914</u>

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

	2020	2019
2.5 Personnel expenses	\$	\$
Annual and long- service leave	13,873	28,568
Fiji National Provident Fund (FNPF) contributions	32,177	36,758
Key management compensation - short term benefit	131,063	135,225
- FNPF	14,927	17,764
Fiji National University Levy	5,171	5,114
Wages and salaries	342,389	365,194
	<u>539,600</u>	<u>588,623</u>
2.6 Finance income	\$	\$
Interest income	<u>36,547</u>	<u>23,762</u>
3. Cash and cash equivalents	\$	\$
Cash at bank	1,244,426	902,584
Cash on hand	1,802	2,280
Cash and cash equivalents in the cash flow statements	<u>1,246,228</u>	<u>904,864</u>
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise of the following statement of financial positions amounts:		
	\$	\$
Cash at bank and on hand	<u>1,246,228</u>	<u>904,864</u>
4. Held to maturity investments	\$	\$
Current	650,000	650,000
Non-current	100,000	100,000
	<u>750,000</u>	<u>750,000</u>
The interest rate on term deposits ranges from 3.5% to 5.25% per annum (2019: 4% to 5.75% per annum). The deposits have an average maturity ranging from 71 days to 304 days (2019: 76 days to 688 days).		
5. Receivables	\$	\$
Growers levy receivable from The Fiji Sugar Corporation Limited	693,682	696,523
Less: Provision for doubtful debts	<u>(693,682)</u>	<u>(696,523)</u>
	<u>-</u>	<u>-</u>
	\$	\$
Receivable from the Fiji Sugar Corporation Limited for sale of weedicide	1,049,712	1,653,213
VAT (payable)/receivable	(1,866)	412
Other receivables	11,313	17,617
	<u>1,059,159</u>	<u>1,671,242</u>
<u>Movement in provision for doubtful debts</u>	\$	\$
Balance as at 1 August	696,523	698,621
Recoveries	<u>(2,841)</u>	<u>(2,098)</u>
Balance as at 31 July	<u>693,682</u>	<u>696,523</u>
6. Prepayments	\$	\$
		Restated
Prepayments and sundries	<u>74,229</u>	<u>112,927</u>

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

	2020	2019			
	\$	\$			
7. Investments					
<u>Unit Trust of Fiji</u>					
This represents investment in Unit Trust of Fiji of 334,302 units (2019: 324,714 units) at \$2.26 (2019: \$2.38)	755,523	772,820			
Reconciliation of investment in Unit Trust of Fiji					
Balance as at 1 August	772,820	686,805			
Additions units acquired during the year	21,669	23,005			
(Loss)/gain on remeasurement investment to fair value	(38,966)	63,010			
Balance as at 31 July 2020	755,523	772,820			
This is disclosed as:					
Current *	400,000	-			
Non - current	355,523	772,820			
	755,523	772,820			
* Shares subsequently redeemed and converted into term deposit.					
<u>Fiji Sugar Corporation</u>					
This represents investment in Fiji Sugar Corporation	29,850	29,850			
Less provision for impairment	(29,850)	(29,850)			
	-	-			
8. Property, plant and equipment					
<u>Cost</u>	<u>Fixtures and Fittings</u>	<u>Plant and Equipment</u>	<u>Motor Vehicles</u>	<u>Land and Buildings</u>	<u>Total</u>
As at 31 July 2018	127,874	484,959	353,854	1,353,326	2,320,013
Additions	5,596	7,479	-	6,055	19,130
Disposals	(2,356)	(32,948)	-	-	(35,304)
At 31 July 2019	131,114	459,490	353,854	1,359,381	2,303,839
Additions	2,137	4,678	-	1,431	8,246
Disposals	-	(51,084)	-	-	(51,084)
At 31 July 2020	133,251	413,084	353,854	1,360,812	2,261,001
<u>Accumulated depreciation</u>					
As at 31 July 2018	121,160	446,130	87,274	373,177	1,027,741
Depreciation charge for the year	2,607	14,200	88,463	18,591	123,861
Disposals	(2,356)	(32,948)	-	-	(35,304)
At 31 July 2019	121,411	427,382	175,737	391,768	1,116,298
Depreciation charge for the year	3,423	15,343	88,463	17,821	125,050
Disposals	-	(51,084)	-	-	(51,084)
At 31 July 2020	124,834	391,641	264,200	409,589	1,190,264
Net book value					
At 31 July 2020	8,417	21,443	89,654	951,223	1,070,737
At 31 July 2019	9,703	32,108	178,117	967,613	1,187,541
Donated assets included in plant and equipment (refer Note 11).					
9. Intangible assets	\$	\$			
Computer software	11,266	11,266			
Additions	2,875	-			
Less: accumulated amortisation	(8,732)	(8,343)			
	5,409	2,923			

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

	2020	2019
10. Trade and other payables	\$	\$
Payables and accruals	84,284	79,955
South Pacific Fertilisers Pte Limited	1,226,479	1,654,729
	<u>1,310,763</u>	<u>1,734,684</u>

11. Deferred income

Donated assets

Donor	Opening Balance	Funds Received during the year	Utilized during the year	Balance at 31 July 2020
	\$	\$	\$	\$
Pacific Community (EU)	17,195	-	(6,442)	10,753
Total	<u>17,195</u>	<u>-</u>	<u>(6,442)</u>	<u>10,753</u>

Disclosed as:

Current	\$ 6,442	\$ 6,442
Non-current	4,311	10,753
Total	<u>10,753</u>	<u>17,195</u>

12. Unexpended project fund

Donor	Opening Balance	Funds Received during the year	Utilized during the year	Balance at 31 July 2020
	\$	\$	\$	\$
Small Grant Scheme	11,536	-	(7,369)	4,167
Total	<u>11,536</u>	<u>-</u>	<u>(7,369)</u>	<u>4,167</u>

13. Employee benefit obligations

Balance at 1 August	\$ 51,804	\$ 27,853
Arising during the year	13,873	28,568
Leave utilised during the year	(27,216)	(4,617)
Balance at 31 July	<u>38,461</u>	<u>51,804</u>

14. Related parties

(a) The Members

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

- Sanjay Kumar
- Abdul Samim
- Ami Chandra
- Devend Dharmend Nath
- Radha Krishna
- Mesake Ledua (appointed on 13 August 2020)
- Uraia Rai (appointed on 13 August 2020)

(b) Identity of related parties

The Fiji Sugar Corporation Limited (FSC) and South Pacific Fertilizers Pte 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 and Sugar Cane Growers Fund.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

14. Related parties (continued)	2020	2019
(c) Amounts receivable from / (payable to) related parties	\$	\$
Payable to South Pacific Fertilizers Pte Limited	(1,226,479)	(1,654,729)
Receivable from Fiji Sugar Corporation Limited for sale of weedicide	1,049,712	1,653,213
Growers levy receivable from The Fiji Sugar Corporation	<u>693,682</u>	<u>696,523</u>

(d) Transactions with relates 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 relates parties during the year is as follows:

	\$	\$
Purchase of weedicide from South Pacific Fertilizers Pte Limited	2,592,212	2,189,217
Sale of weedicide to The Fiji Sugar Corporation Limited	2,562,171	2,160,898
Sitting allowance to members	5,400	21,600
Rental income from Sugar Cane Growers Fund	<u>109,976</u>	<u>83,401</u>

(e) Transactions with key management personnel

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

In addition to their salary, the Council also provides non cash benefits to the key management personnel. Key management compensation is disclosed in Note 2.5.

15. Material non- cash investing activity	\$	\$
Re- investment of dividend income earned in Unit Trust of Fiji	<u>21,669</u>	<u>23,005</u>

16. Commitments and contingencies

(i) There is a civil case and an employee dispute matter against the council in employment court. The Council members are defending the matters and are confident that no liability will arise.

(ii) Capital expenditure commitments - \$nil (2019: \$nil)

(iii) Finance lease commitments - \$nil (2019: \$nil)

(iv) Operating lease commitments

Rental agreement is scheduled as follows:

	\$	\$
Within one year	16,900	20,200
Later than one year and not later than five years	15,100	19,900
Later than 5 years	40,550	52,650
	<u>72,550</u>	<u>92,750</u>

17. Correction of error

During 2020 financial year, the Council discovered that weedicide admin fee had been calculated on 45% grower component instead of 55% allocated as the Council's share of administration claim from South Pacific Fertilizers Pte Limited. As a consequence, sundry debtors and weedicide admin fee had been understated in its financial statements since 2018. The error has been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarise the impacts on the Council's financial statements.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

17. Correction of error (continued)

(i) Statement of financial position

	Impact of correction of error		
	As previously reported	Adjustments	As restated
1 August 2018			
Prepayments	31,023	13,050	44,073
Total assets	5,466,940	13,050	5,479,990
Total Liabilities	1,814,897	-	1,814,897
Funds employed	3,652,043	13,050	3,665,093
Total funds employed	3,652,043	13,050	3,665,093
	Impact of correction of error		
	As previously reported	Adjustments	As restated
31 July 2019			
Prepayments	83,451	29,476	112,927
Total assets	5,415,806	29,476	5,445,282
Total Liabilities	1,815,219	-	1,815,219
Funds employed	3,600,587	16,426	3,617,013
Total funds employed	3,600,587	16,426	3,617,013

(ii) Statement of profit or loss and other comprehensive income

	Impact of correction of error		
	As previously reported	Adjustments	As restated
31 July 2019			
Other income	434,936	16,426	451,362
(Deficit) /surplus before income tax	(51,456)	16,426	(35,030)
Income tax expense	-	-	-
Total comprehensive (loss)/income for the year, net of tax	(51,456)	16,426	(35,030)

(iii) Statement of cash flows

There is no material impact on the Council's total operating, investing or financing cash flows for the year ended 31 July 2019.

18. Significant events during the year

During the financial year, the Novel Coronavirus (COVID-19) was declared a pandemic in March 2020 by the World Health Organization. There have been considerable economic impacts in Fiji and globally arising from the outbreak of COVID-19 and Government action to reduce the spread of the virus. The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Fijian and other governments as well as the travel restrictions imposed by Fiji and other countries in early 2020 have caused disruption to the businesses and economic activity.

COVID-19 has not had a major impact on the operations of the Council. The Council continues to operate at our original planned or expected levels. As at the date of these financial statements, the Council has factored in its forecasts the anticipated effects of COVID-19 on its operations based on conditions at this time. While the Council's current year results have reflected the effects of COVID-19 through end of July 2020, the longer-term impact of COVID-19 situation will depend on future developments and Governments' varying effort which the Members and management will continue to monitor.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

18. Significant events during the year (continued)

Apart from the exception above, no other matter or circumstances have arisen during the financial year which significantly affected the operations of the Council.

19. Subsequent Events

Subsequent to year end, management on the advice of the Board, redeemed \$400,000 worth of its shares in Unit Trust of Fiji which is now held as a term deposit with Bank of Baroda. The term deposit yields interest of 2.35% per annum with maturity of a year.

On 12 November 2020, Vimal Sachin Dutt commenced his role as the Chief Executive Officer of the Council.

Apart from the exceptions above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

20. Segment Information

Industry segment

The Council operates predominantly in the sugar industry.

Geographical segment

The Council operates predominantly in Fiji and is therefore one geographical area for reporting purposes.

21. Principal business activity

The principal business activity 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.

Number of employees

As at balance date, the Council employed a total of 27 employees (2019: 28).

**SUGAR CANE GROWERS COUNCIL
DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 JULY 2020**

The additional financial information, being the attached detailed Income Statement has been compiled by management of Sugar Cane Growers Council.

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

**SUGAR CANE GROWERS COUNCIL
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2020**

	2020	2019
	\$	\$
Income		
Sales	2,562,171	2,160,898
Cost of sales	(2,592,212)	(2,189,217)
Gross loss	(30,041)	(28,319)
Government grant	602,413	1,192,127
European Union grant	6,442	6,442
Dividend income	78,069	70,005
Gain on investments carried at fair value	(38,966)	63,010
Interest income	36,547	23,762
Rental income	109,976	83,401
Legal income	76,209	70,044
Knife sales	18,717	15,838
Directors fees and hall hire	24,513	60,607
Weedicide admin fee	106,251	88,457
Total Income	990,130	1,645,374
Less: Expenditure		
Advertising	1,447	1,692
Audit fees	6,630	6,447
Bank charges	979	993
City rates	683	679
Cleaning	9,445	11,840
Depreciation and amortisation	125,247	125,217
Donation	100	450
Electricity	21,606	23,617
Fiji National Provident Fund contributions	47,104	54,522
Fiji National University Levy	5,171	5,114
Fringe benefit tax	2,356	2,499
Growers accountant's fees	5,000	5,000
Hospitality	2,161	2,329
Insurance	18,442	17,343
Information technology	3,780	3,937
Legal department expenses	45,270	47,633
Meeting costs- other	12,145	18,874
Medical expenses	14,101	13,534
Motor vehicle expenses	23,348	31,455
Office expenses	16,112	8,801
Postage	3,257	3,748
Professional services	25,141	3,406
Purchase of knives	15,070	7,380
Rent	44,124	41,319
Repairs and maintenance	7,392	59,335
Security expenses	4,591	7,044
Staff training	513	769
Stationery and printing	14,246	18,050

The detailed income statement is to be read in conjunction with the disclaimer on additional financial information on page 21.

**SUGAR CANE GROWERS COUNCIL
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2020 (continued)**

	2020	2019
	\$	\$
Less: Expenditure (continued)		
Subscriptions	4,647	6,902
Small Grant Scheme supplier payments	7,367	598,708
Telephone	13,769	21,786
Wages and salaries	487,325	528,987
Water rates	478	994
Total expenditure	989,047	1,680,404
Net surplus/(deficit)	1,083	(35,030)

The detailed income statement is to be read in conjunction with the disclaimer on additional financial information on page 21.





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