



ANNUAL REPORT 2018

Serving the Cane Growers of Fiji

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

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Tuesday, October 1, 2019

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

Dear Sir,

RE: SCGC Annual Report 2018

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 July, 2018.

The Council changed its reporting period from 31st December to 31st July. As a result, the 2018 Annual Report is prepared for the period from 1st January 2018 to 31st July 2018. The reason for this seven months' report is due to Council aligning its fiscal year end to that of the Government of Fiji.

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

Chief Executive Officer

Serving The Cane Growers Of Fiji

ALL CORRESPONDENCE TO BE ADDRESSED TO CHIEF EXECUTIVE OFFICER

Message from the Chief Executive Officer

It is with pleasure that I present to you Sugar Cane Growers Council's 2018

Annual Report, Mr. Sundresh Chetty, CEO, SCGC



The Sugar Cane Growers Council (SCGC) is committed to the highest standard of business integrity, transparency and professionalism in all its activities to ensure that the affairs of the Council are managed ethically and with responsibility to enhance best value for all stakeholders.

The Council undertakes to set, implement and monitor a high degree of performance and carry out its activities in a transparent manner in accordance with the Government policy and to offer a value for money to its stakeholders.

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.

In accordance with the organization's mission statement and core values, the Management team is totally involved in delegating responsibility and giving the training to its team members to maintain a continuous improvement in quality and growers' satisfaction.

The Council once again acknowledges the tremendous Government support and the comprehensive reform programs being implemented. Like 2017 season, the financial support for the Sugar Sector was once again in excess of \$60m that included subsidies for fertilizer, weedicides, cane development, cane access roads, cane harvesters, farm tractors and implements, bore holes, land lease premiums for new incoming growers and cane transfer cost for Rakiraki district growers from Penang to Rarawai Mill. Funds are also allocated to the Council for its operating and administrative expenses for providing grower services in the cane belt areas. Growers are no longer required to pay levy from the cane proceeds which is a big relief for them.

In addition to the above the Government in its 2018/2019 National Budget announced a minimum guaranteed price of \$85 per tonne of cane for the three season of 2018, 2019 and 2020. This has definitely brought back the confidence of the growers which had eroded over the years.

The SCGC will continue to work closely with the Government and all the other stakeholders to ensure long term sustainability and viability for the growers in the sugar cane industry.

SUGAR CANE GROWERS COUNCIL STAFF 2018
SERVING THE CANE GROWERS OF FIJI



Head Office
Management &
Staff



Staffs of Labasa
Mill Area



Staffs of
Rarawai/Penang Mill
Area



Staffs of Lautoka
Mill Area

1.0 ABOUT SUGAR CANE GROWERS COUNCIL

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 operations of the Council are managed by the Chief Executive Officer with the assistance of 25 staff members. The major functions of the Council are to take all steps as it may consider necessary for the protection and development of the industry and of the interests of registered growers. The SCGC remains the sole legal representative body of the Cane Growers in Fiji. All Cane Growers in Fiji are automatically members of the SCGC.

1.1 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: -

- encourage and promote cooperation among registered growers, and between registered growers and other engaged in the Industry;
- remove or provide redress of all legitimate grievances of registered grower in any particular sector, district or mill area;
- provide registered growers with goods and services relating to the business of cane- growing;
- establish, hold and administer funds for the benefits of registered growers;
- 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
- perform such other functions as may be assigned to the Council by this Act or any other written law

2.0 ABOUT THE GROWERS

The past year has been a challenging one for the cane growers, the millers 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 we are meeting our obligation. Over 200,000 people of Fiji are directly or indirectly dependent on the Sugar Industry. There are about 16,631 registered cane growers, and 1,884 harvesting gangs however close to 13,000 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. Over the years, the growers have been facing a lot of challenges that have led to many farmers 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 (Fifties to Sixties). Majority of younger generations have left to attend the universities and obtained white collar jobs in the town areas. Most growers plant and harvest manually, using hired labourers (casual) at a higher cost. Mechanization is now being developed: besides the importance of such an investment, small-scale farming and difficult terrains are not appropriate to mechanization. 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.



2.1 SOME OF THE CHALLENGES FACED BY THE GROWERS:



3.0 OPERATIONS REVIEW 2018

3.1 ACTIVITIES REPORT 2018

The Management of the Sugar Cane Growers Council takes pleasure in presenting its 2018 Report on Activities.

3.2 WEATHER

The weather pattern for most part of the year was very unpredictable due to climate change. First three months was very wet with many places experiencing frequent flash flooding's that affected the sugarcane crop. Two tropical cyclones, Keni and Josie also entered Fiji waters and caused significant damage to the crops especially in the northern division. This was followed by prolonged dry spell with most centers receiving below average rainfall.

According to Fiji Meteorological Services a number of places around the cane belt went into a meteorological drought conditions in July 2018 which affected the grass land and the crops. In many sectors sugarcane crops also dried or showed signs of water stress which affected the crop yield. The prevailing weather pattern also prevented growers from planting new crop and this would impact the crop for the 2019 season.



Pictures of TC Josie and TC Keni

3.3 2018 CROP

The pre-crush estimate for 2018 was 1.863million tonnes which was later reviewed to 1.747million tonnes after the cyclones and floods. The prolonged dry spell since June 2018 had adversely affected the crop and the estimate is expected to further drop in the August 2018 crop review.

Mill	2018 Pre-Crush Estimate	Revised Crop after cyclone
Lautoka	473,500	437,000
Rarawai	520,200	474,200
Labasa	719,500	695,500
Penang	150,500	131,000
Total	1,863,700	1,747,700

Table 3.4 CANE PRODUCTION 2010 - 2017

District/ Mill	2010	2011	2012	2013	2014	2015	2016	2017
Lautoka	281,071	209,240	177,396	229,365	230,457	148,002	193,166	193,166
Nadi	262,212	213,783	169,638	247,193	206,644	156,936	169,436	169,436
Sigatoka	100,258	67,439	58,619	77,655	83,964	67,342	66,949	66,949
Lautoka Mill Total	643,521	490,462	405,652	554,213	521,065	372,280	429,551	429,551
Rarawai	484,243	325,115	360,996	434,458	384,458	217,292	312,979	312,979
Tavua	189,199	140,205	137,830	118,556	106,334	51,578	94,881	94,881
Rarawai Mill Total	673,442	465,320	498,826	553,014	490,792	268,870	407,860	407,860
Labasa	425,284	313,973	429,243	418,106	515,760	502,969	527,503	527,503
Seaqaqa	145,187	99,310	116,911	126,242	146,840	150,384	148,227	148,227
Labasa Mill Total	570,471	413,283	546,154	544,348	662,600	653,353	675,730	675,730
Penang Mill Total	208,307	177,832	159,720	180,571	170,130	91,806	118,231	118,231
GRAND TOTAL	1,778,014	2,095,741	1,546,897	1,610,353	1,832,146	1,844,587	1,386,309	1,631,372

4.0 CRUSHING SEASON- 2018

4.1 COMMENCEMENT AND TERMINATION DATES & SEASON LENGTH – 2018

All the mills commenced crushing on the following dates:

- **Lautoka Mill** - **3rd July 2018**
- **Rarawai Mill** - **17th July 2018**
- **Labasa Mill** - **19th June 2018**

Harvesting preparation and commencement of crush was generally slow in all mill areas. Labasa mill commenced with few teething problems which later settled down. The cane supply in Labasa improved compared to 2017 season and as a result the mill had recorded less stoppage. Lautoka mill also encountered some serious mechanical issues in the first two weeks of crush that led to long stops. This led growers and lorry operators to voice their concerns with SCGC, Government and the media. After Government intervention, FSC agreed to compensate the affected lorry operators and the growers with \$2 and \$3 per ton respectively. The cane supply in 2018 had significantly improved in comparison to 2017 season. The influx of mechanical harvesters and growers taking advantage of dry weather for harvesting had contributed to consistent cane supply. However, some growers and gangs still faced difficulty in securing cutters. Council encouraged growers to take advantage of favorable weather conditions while harvesting season was in progress and to ensure all harvestable cane is cut and delivered to the mills.

Early in the season, indiscriminate cane burning became a huge concern to growers especially in Viti Levu. This forced some growers to pay very high harvesting rates to get the burnt cane harvested within seven days. The Council staff and management were also instrumental in mobilizing harvesting gangs and mechanical harvesters to assist those gangs and growers who were lagging behind.

4.2 GROWERS BUNDLED MICRO INSURANCE SCHEME

The bundled insurance has a combined cover limit of \$10,000 per insured person for a cost or premium of \$52 per year. The premium would be paid over three years by SCGF as an aggregator in an effort to explain and instill the benefits of being protected by insurance and to encourage growers to take up insurance themselves upon completion of this term. SCGC and FSC have also pledged their support to SCGF and contributed \$10,000 each towards the annual premium.



On the 5th day of March 2018, a combined workshop was organized between SCGF, SCGC, FSC and Fiji Care to train the staff on the grower's bundled micro insurance to enable them to carry out awareness and assist growers in their registration process. Since July 2017 till July 2018 there were 64 claims amounting to \$249,000.00. These includes house fires, death and funeral claims.

4.3 CANE ACCESS ROADS

The Cane Access Road (CAR) maintenance works in all the mill areas progressed as expected. As at 31st of July 2018, 94 percent of roads were completed. The CAR project was administered by FSC, however, SCGC assisted by monitoring, attending to grower request, disputes and rectifying issues that ascended as the work progressed. The table below shows the number and the kilometres of roads repaired in each mill area:

Mill	Road Length (Km)	No. of road repaired	Total Cost (\$)
Lautoka	1,162.7	851	1,115,754
Rarawai	1,087.3	726	1,342,640
Labasa	925.0	1,042	1,640,990
Penang	371.2	427	579,744
TOTAL	3,546.2	3,046	4,679,128

Together with the repair and maintenance of the cane access roads, a number of road committees were assisted either with culverts or building of new crossing along the cane access roads.



4.4 SMALL GRANTS SCHEME

Sugar Cane Growers Council (SCGC) administered and facilitated the Small Grant Scheme program to individual growers. Growers were assisted in filling the grant application forms through Councils eight district offices and SCGC on behalf of the growers lodged the applications with Ministry of Sugar. Based on the approval received from Ministry of Sugar, SCGC issued purchase orders to approved suppliers to facilitate delivery of commodities. The project was implemented with strict monitoring to prevent abuse of grant funds. Payments were only raised upon verification and successful completion of every purchase order. As at 31st July 2018, SCGC had received a total of 217 approved applications from Ministry of Sugar with a total value of \$978,925.13. A total of 194 committed Local Purchase Orders (LPOs) were issued with a total value of \$885,141.90. However, a total sum of \$226,231.95 was utilized from the SGS Grant account for the 56 completed transactions up to 31st July 2018.



Staffs at the Labasa district serving growers under Small Grant Scheme

4.5 COOPERATIVE TRAINING

SCGC in collaboration with Secretariat of Pacific Community (SPC), European Union, Department of Cooperative from Ministry of Industry, Trade and Tourism organized ten training sessions for Cane Growers Cooperatives officials across the entire cane belt area in Fiji. The key topics covered in the training were as follows:

- Understanding the principals of cooperatives.
- Understanding the management and leadership in accordance with the Cooperative Act.
- Understanding the roles, responsibilities, limitations and rights as prescribed in the Cooperative Act.
- Record keeping, Preparation of budget and Finance management.

This capacity building training for the cooperative members was aimed at empowering members to switch from manual field operations to mechanical including harvesting and to raise cane production to a sustainable level. Council has also been conducting awareness amongst growers on mechanization and encouraging growers to form cooperatives. Once cooperatives are registered, members can access loan under the cooperative for purchase of farm machinery which would be either difficult or impossible for individual growers. Many participants after attending the training have said that they are now better equipped to run the daily affairs of the respective Cane Growers Cooperatives.



4.6 STAFF TRAINING

In order to expedite acquisition of the knowledge, skills, and abilities required for effective job performance, training of employees is essential. A two-days training session for all SCGC staff was conducted at SCGC hall in Lautoka from 1st to 2nd June 2018. The management conveys its appreciation to the executives of FRCS, SIT, SRIF, iTLTB and FNU for providing resource persons who deliberated on topics associated with Councils daily operations. The training has empowered the staff with knowledge and skills for service delivery to the cane growers across the nation. Training of staff is also ongoing whereby on job training is provided by the supervisors to their subordinates.



4.7 MECHANICAL HARVESTING

Cutter shortage and demand for exorbitant rates by manual cutters are the major challenges faced by growers in the Sugar Industry. The formation of Growers Cooperatives, Government's support to Cooperatives and investments done by Fair-Trade organizations and FSC has greatly assisted the industry in moving towards mechanization. This year 60 mechanical cane harvesters are operated in Fiji and it has significantly impacted on the daily cane supply to the mills. However, most of the harvesters are still being underutilized due to inefficient transport system of billet cane to the mills, fields are not aligned for mechanized harvesting and lack of coordination due to poor organization of harvesting unit. Improvements are expected in the near future as the new system of harvesting is adopted and streamlined.



4.8 LTA CONCESSIONS ON CANE LORRIES

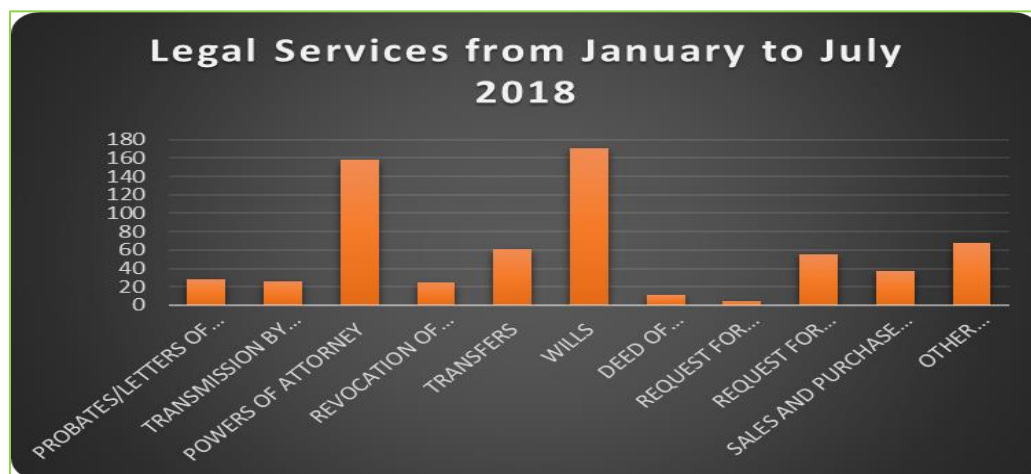
The Council once again initiated with LTA and the Hon. Minister for Infrastructure and Transport requesting for similar concessions/exemptions as provided to the lorry operators in the past years. An agreement was reached amongst the stakeholders with the objective to encourage the promotion of mutual cooperation and to assist the lorry operators in the provision of exemptions of wheel tax, partial exemption of the road user levy, concessions on weight limits and of minor infringements for the period of 2018 cane crushing season. The MOU was finalized and signed on 6th June 2018 at FFA house conference room in the presence of Hon. Minister for Infrastructure and Transport Mr. Praveen Kumar Bala. The signatories to the MOU were FRA, LTA, SCGC, FSC and FCLTA. This was the first time that FRA had become a partner in the MOU.

4.9 LEGAL SERVICES

SCGC provides a range of legal services to the cane growers at a very affordable cost. The number of legal services provided in the year 2018 increased by approximately 20% compared to previous year and is increasing gradually. All legal services listed below are provided with only disbursement cost.

- Powers of Attorney
- Revocation of Power of Attorney
- Probates
- Last Will & Testament
- Crop Lien
- Mortgage
- Transfer of Properties- Certificate of Title, Leasehold lands (state lease, iLTB) Cane contract Transfer
- Letters of Administration
- Letters of Administration De Bonis Non
- Discharge of Mortgage
- Discharge of Crop Lien
- Transmission by Death
- Deed- Family deeds, Deed of Renunciation etc
- Sales and Purchase Agreement
- Instrument of Tenancy
- Record of Death
- Caveat

The total number of growers served in 6 months were 644 for legal service as depicted in the chart below: -



4.10 OTHER GROWERS SERVICES

The Council continued to provide a range of services to the growers through its eight district offices and head office. Some of the key services provided during the seven-month period are tabulated below:

Activities (January 2018 to July 2018) Report

Growers Services	RakiRaki	Tavua	Ba	Lautoka	Nadi	Sigatoka	Labasa	Seaqaqa	Total
Consultations Meeting	18	38	31	42	87	10	99	23	348
Weedicide Sales/Distribution	2812	1572	4056	1255	1805	722	3928	1700	17850
IncomeTax Return	647	382	488	284	90	182	1147	241	3461
Substitute/Cutters Agreement	38	91	120	69	87	26	238	52	721
MOGA	6	11	85	1	206	2	2	0	313
Increase Harvesting Rates	118	101	304	43	66	21	42	64	759
Lorry Wheel Tax Declaration	71	56	196	106	111	22	139	68	769
CPG Verification	296	117	1325	267	609	270	454	5	3343
Cane Payment	125	146	14	34	31	18	266	50	684
Cane Access Road	183	83	37	148	324	58	265	24	1122
Knife Sale/Distribution	13	35	21	14	32	9	6	6	136
Individual Harvesting	27	16	4	1	0	0	0	0	48
Additional Ticket Book	0	0	0	0	0	0	47	48	95
VAT returns	2	3	2	18	0	8	1	10	44
COR amendment Application	34	8	41	43	7	17	27	27	204
New Registration	7	0	25	28	9	11	56	10	146
Substitute Dispute	1	34	2	2	1	5	34	0	79
Burnt Cane Report	4	4	0	0	1	0	6	1	16
Legal Services	98	162	21	121	53	98	70	21	644
Transfer of Registration	9	24	24	15	6	15	15	1	109
Gang Disputes	14	9	0	0	2	2	32	1	60
COR replacement	7	4	7	48	0	2	6	1	75
Gang Matters	72	12	0	1	48	25	50	18	226
Land Rent Appeal/Renew	195	51	3	17	2	10	6	0	284
Land rent object/Transfer	0	14	1	10	0	33	6	0	64
Crop Damage Report	7	37	11	2	18	67	43	0	185
Gang Rationalization	37	23	0	25	0	0	0	2	87
Drainage Report	282	122	28	36	0	4	195	8	675
Split Registration	3	2	0	24	1	2	7	4	43
Harvesting Bond	0	0	0	0	0	0	0	2	2
General Services/Enquires	1804	931	589	736	1469	244	1051	1978	8802
Co-operative Traning	4	10	42	26	10	6	31	8	137
Small Grant Scheme	1437	522	1393	47	850	174	1674	278	6375
Sugarcane Care Assistance Scheme	1260	604	874	66	336	108	245	555	4048
Total	9631	5224	9744	3529	6261	2171	10188	5206	51,954

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. Sanjay Kumar

COUNCIL MEETING

The Council had regular meetings during the year to deliberate on policy issues for SCGC and issues pertaining the Sugar Industry such as cane planting, harvesting and transport, milling operations, cane quality and sugar marketing. Council also deliberates on challenges and concerns raised by the growers and tries to find gracious resolution to develop sustainable sugar industry.

COUNCIL MEMBERS



Mr. Sanjay Kumar, 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

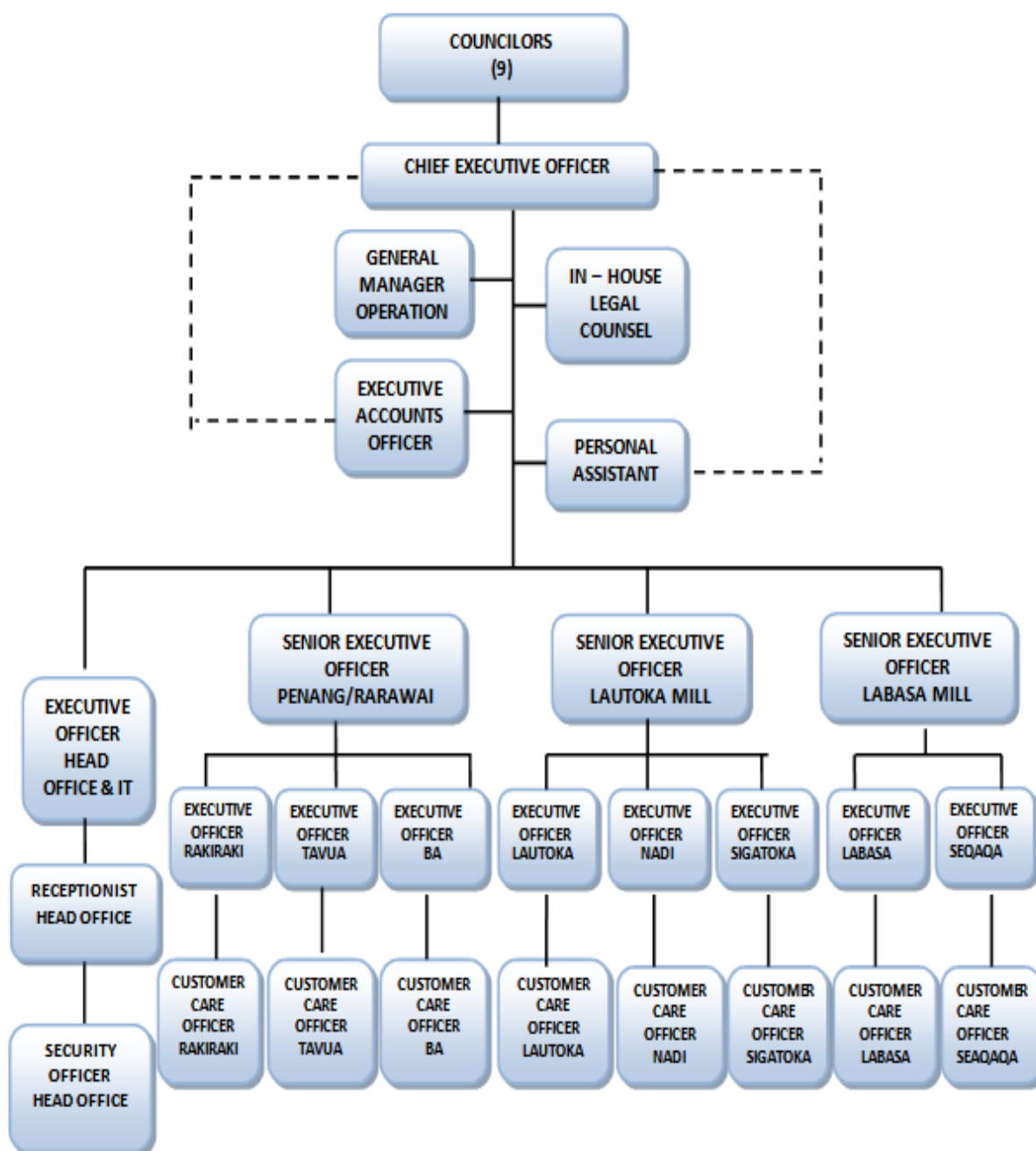


Mr. Sundresh Chetty, Chief
Executive Officer



Mr. Sunil Deo Chaudhary,
Secretary

SUGAR CANE GROWERS COUNCIL ORGANISATION CHART



Sugar Cane Growers Council
Financial Statements
For the period from 1 January 2018 to 31 July 2018

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 July 2018 and the related statement of comprehensive income and accumulated funds and statement of cash flows for the period from 1 January 2018 to 31 July 2018 and report as follows:

Members

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

- Sanjay Kumar (Chairman - appointed on 23 February 2018)
- Manasa Tagicakibau (term expired on 12 June 2019)
- Jovesa Vocea (reappointment on 12 June 2019)
- Jai Ram Khelawan (term expired on 12 June 2019)
- Nand Kishore (reappointment)
- Pradip Kumar (term expired on 12 June 2019)
- Prakash Chandra (term expired on 12 June 2019)
- Prabindra Singh (term expired on 12 June 2019)
- Joji Satakala (appointed on 12 June 2019)
- Abdul Samim (appointed on 12 June 2019)
- Ami Chandra (appointed on 12 June 2019)
- Devend Dharmend Nath (appointed on 12 June 2019)
- Radha Krishna (appointed on 12 June 2019)
- Rashmir Singh (appointed on 12 June 2019)

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 2018 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 period from 1 January 2018 to 31 July 2018.

Results

The total comprehensive income for the period from 1 January 2018 to 31 July 2018 amounted to \$39,621 (31 December 2017: \$504,784).

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 period.

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.

Reporting period

The Council changed its reporting period end from 31 December to 31 July. As a result, the financial statements have been prepared for the period from 1 January 2018 to 31 July 2018. The reason for the shorter period is due to the Council aligning its fiscal year end to that of the Fijian Government. Therefore, comparative amounts presented in the financial statements are not entirely comparable, 7 months versus 12 months.

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 11 day of July 2019.

Signed in accordance with a resolution of the Members.



Council member



Council member



Independent Auditors' Report

To the Members' of Sugar Cane Growers Council

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sugar Cane Growers Council ("the Council"), which comprise the statement of financial position as at 31 July 2018, the statements of comprehensive income and accumulated funds and cash flows for the 7 months period then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 22.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Council as at 31 July 2018, and of its financial performance and its cash flows for the 7 months period then 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 (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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and 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 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

Management is responsible for the other information. The other information comprises the information included in the Members' report, but does not include the financial statements and our auditors' 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on 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.



Independent Auditors' Report (continued)

To the Members' of Sugar Cane Growers Council (continued)

Report on the Audit of the Financial Statements (continued)

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

Management is responsible for the preparation of financial statements that give a true and fair view 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.

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.



Independent Auditors' Report (continued)

To the Members' of Sugar Cane Growers Council (continued)

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion:

- i). proper books of account have been kept by the Council, sufficient to enable financial statements to be prepared, so far as it appears from our examination of those books; and
- ii). to the best of our knowledge and according to the information and explanations given to us the financial statements give the information required by the Sugar Industry Act 1984 and Sugar Industry Amendments Act 2015, in the manner so required.

11 July , 2019

Nadi, Fiji

KPMG

Chartered Accountants

Sugar Cane Growers Council
Statement of comprehensive income and accumulated funds
For the period from 1 January 2018 to 31 July 2018

	Note	For the period from 1 January 2018 to 31 July 2018 \$	31 December 2017 \$
Sale of weedicide		812,325	2,086,823
Cost of sales - weedicide		<u>(826,299)</u>	<u>(2,066,681)</u>
Gross (loss) / profit		(13,974)	20,142
Grant income	4	667,146	841,898
Other income	5	322,341	568,011
Administrative expenses	6	(366,358)	(514,448)
Other operating expenses	7	<u>(581,504)</u>	<u>(430,610)</u>
		27,651	484,993
Finance income	9	11,970	19,791
Surplus before income tax		<u>39,621</u>	<u>504,784</u>
Income tax expense	3(h)	<u>-</u>	<u>-</u>
Surplus for the year		39,621	504,784
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		39,621	504,784
Accumulated funds at the beginning of the year		<u>3,612,422</u>	<u>3,107,638</u>
Accumulated funds at the end of the year		<u><u>3,652,043</u></u>	<u><u>3,612,422</u></u>

The notes on pages 9 to 22 are an integral part of these financial statements.

Sugar Cane Growers Council
Statement of financial position
As at 31 July 2018

	Note	31 July 2018 \$	31 December 2017 \$
Assets			
Non-current assets			
Property, plant and equipment	10	1,296,551	1,332,932
Investments	11	686,805	578,842
Held to maturity investments	13	100,000	100,000
Total non-current assets		2,083,356	2,011,774
Current assets			
Cash and cash equivalents	12	1,783,592	1,393,101
Held to maturity investments	13	450,000	350,000
Inventories - finished goods		33,153	5,627
Receivables	14	1,085,816	1,386,377
Prepayments		31,023	14,308
Total current assets		3,383,584	3,149,413
Total assets		5,466,940	5,161,187
Funds employed			
Funds employed		3,652,043	3,612,422
Total funds employed		3,652,043	3,612,422
Liabilities			
Current liabilities			
Other payables and accruals	15	1,153,163	1,457,381
Deferred income	16	633,881	50,000
Employee benefits	17	27,853	41,384
Total current liabilities		1,814,897	1,548,765
Total liabilities		1,814,897	1,548,765
Total funds employed and liabilities		5,466,940	5,161,187

Signed on behalf of the Board.


 Council member


 Council member

The notes on pages 9 to 22 are an integral part of these financial statements.

Sugar Cane Growers Council
Statement of cash flows
For the period from 1 January 2018 to 31 July 2018

		For the period from 1 January 2018 to 31 July 2018	31 December 2017
	Note	\$	\$
Operating activities			
Receipts of growers levy from Fiji Sugar Corporation		2,050	3,725
Receipts from weedicide sales		1,110,836	1,290,140
Government grant received		1,225,257	891,898
Other receipts		214,378	368,807
Payments to suppliers and employees		<u>(2,065,294)</u>	<u>(1,762,815)</u>
Net cash from operating activities		<u>487,227</u>	<u>791,755</u>
Investing activities			
Interest received	9	11,970	19,791
Acquisition of property, plant and equipment	10/19	(8,706)	(451,515)
(Investment in) / proceeds from term deposits	13	(100,000)	100,000
Proceeds from disposal of property, plant and equipment		<u>-</u>	<u>185,129</u>
Cash used in investing activities		<u>(96,736)</u>	<u>(146,595)</u>
Net increase in cash and cash equivalents		390,491	645,160
Cash and cash equivalents at beginning of the period		<u>1,393,101</u>	<u>747,941</u>
Cash and cash equivalents at end of the period	12	<u>1,783,592</u>	<u>1,393,101</u>
Material non-cash investing activity	19		

The notes on pages 9 to 22 are an integral part of these financial statements.

Sugar Cane Growers Council

Notes to the financial statements

For the period from 1 January 2018 to 31 July 2018

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 period.

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 11 July 2019.

(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) Reporting period

The Council changed its reporting period end from 31 December to 31 July. As a result, the financial statements have been prepared for the period from 1 January 2018 to 31 July 2018. The reason for the shorter period is due to the Council aligning its fiscal year end to that of the Fijian Government. Therefore, comparative amounts presented in the financial statements are not entirely comparable, 7 months versus 12 months.

(e) 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 period from 1 January 2018 to 31 July 2018

2. Basis of preparation (continued)

(c) 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.

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.

Sugar Cane Growers Council
Notes to the financial statements
For the period from 1 January 2018 to 31 July 2018

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

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.

(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.

Sugar Cane Growers Council
Notes to the financial statements
For the period from 1 January 2018 to 31 July 2018

3. Significant accounting policies (continued)

(b) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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.

(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 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.

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.

Sugar Cane Growers Council
Notes to the financial statements
For the period from 1 January 2018 to 31 July 2018

3. Significant accounting policies (continued)

(c) Impairment (continued)

(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.

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.

Sugar Cane Growers Council
Notes to the financial statements
For the period from 1 January 2018 to 31 July 2018

3. Significant accounting policies (continued)

(f) Deferred income

Computer equipment acquired via donation from the European Union are capitalised and depreciated in accordance with Note 3 (b) (iii), with the related grant being credited to deferred income as the liability and released to profit or loss over the expected useful economic life.

(g) 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 Fiji Sugar Corporation is deducted from the growers' 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.

(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 and European Union grant

Grants from the Government and the 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 to compensate.

(iv) Other income

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

(v) Rental income

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

(h) Income tax

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

(i) Financing income

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

Sugar Cane Growers Council
Notes to the financial statements
For the period from 1 January 2018 to 31 July 2018

	For the period from 1 January 2018 to 31 July 2018	31 December 2017
4. Grant income	2018	2017
	\$	\$
Government - Sugar Levy	345,064	841,898
- Small Grant Scheme (refer Note 7)	288,839	-
	<u>633,903</u>	<u>841,898</u>
The Pacific Community - Trainer for Farmers Organisation	31,110	-
The Pacific Community - Donated assets *	2,133	-
	<u>33,243</u>	<u>-</u>
	<u>667,146</u>	<u>841,898</u>
* Refer Note 10 and 16 (a)		
5. Other income		
Dividend income - Unit Trust of Fiji	32,059	67,264
Gain on investments carried at fair value (Note 11)	85,303	73,498
Gain on sale of property, plant and equipment	1,376	105,441
Insurance proceeds	6,826	-
Legal income	36,824	34,529
Knife sales	6,341	103,568
Directors fees and hall hire	31,427	113,114
Rental income	45,131	70,597
Small Grant Scheme administration fee	18,349	-
Weedicide administration fee	58,705	-
	<u>322,341</u>	<u>568,011</u>
6. Administrative expense		
Bank charges	784	1,221
Meeting costs	6,498	10,735
Personnel expenses (refer note 8)	359,076	502,492
	<u>366,358</u>	<u>514,448</u>
7. Other operating expenses		
Advertising	550	2,085
Auditor's remuneration - audit services	7,013	7,525
- other services	-	640
Bad debts	-	2,092
City rates	393	681
Cleaning	5,466	10,032
Depreciation	70,857	80,162
Donations	100	500
Balance carried forward	<u>84,379</u>	<u>103,717</u>

Sugar Cane Growers Council
Notes to the financial statements
For the period from 1 January 2018 to 31 July 2018

	For the period from 1 January 2018 to 31 July 2018 \$	31 December 2017 \$
7. Other operating expenses		
Balance brought forward	84,379	103,717
Electricity	11,994	21,681
Freight and cartage	795	-
Fringe benefit tax	1,483	4,311
Growers accountant's fees	3,165	5,450
Hospitality	759	1,509
Insurance	17,055	19,469
Information technology	2,596	3,216
Legal department expenses	25,911	21,261
Medical insurance expenses	6,881	12,396
Motor vehicle expenses	17,005	27,928
Office expenses	4,592	9,245
Postage	2,198	3,058
Professional services	8,586	12,200
Purchase of knives	9,381	85,137
Rent	22,677	37,385
Repairs and maintenance	11,126	9,993
Security expenses	4,191	4,307
Staff training	16,104	-
Stationery and printing	13,082	17,736
Subscriptions	3,073	3,697
Small Grant Scheme supplier payments	288,839	-
Telephone	13,456	21,184
Contribution to growers insurance	10,000	3,278
Water rates	2,176	2,452
	<u>581,504</u>	<u>430,610</u>
8. Personnel expenses		
Annual and long-service leave	27,853	41,384
Fiji National Provident Fund (FNPF) contributions	22,422	35,586
Key management compensation - short term benefits	102,293	116,378
- FNPF	13,577	15,603
Fiji National University Levy	3,275	4,644
Wages and salaries	189,656	288,897
	<u>359,076</u>	<u>502,492</u>
9. Finance income		
Interest income	<u>11,970</u>	<u>19,791</u>

Sugar Cane Growers Council
Notes to the financial statements
For the period from 1 January 2018 to 31 July 2018

10. Property, plant and equipment

	Fixtures and fittings \$	Plant and equipment *	Motor vehicles \$	Land and buildings \$	Total \$
Cost					
Balance at 1 January 2017	122,244	461,116	269,325	1,352,179	2,204,864
Acquisitions during the year	1,412	14,139	435,505	459	451,515
Disposals during the year	-	(7,200)	(350,976)	-	(358,176)
Balance at 31 December 2017	123,656	468,055	353,854	1,352,638	2,298,203
Acquisitions during the year	5,618	28,170	-	688	34,476
Disposals during the year	(1,400)	-	-	-	(1,400)
Balance at 31 July 2018	127,874	496,225	353,854	1,353,326	2,331,279
Accumulated Depreciation					
Balance at 1 January 2017	121,504	440,656	258,752	342,685	1,163,597
Depreciation charge for the year	292	10,848	48,881	20,141	80,162
Disposals during the year	-	(6,747)	(271,741)	-	(278,488)
Balance at 31 December 2017	121,796	444,757	35,892	362,826	965,271
Depreciation charge for the year *	764	8,360	51,382	10,351	70,857
Disposals during the year	(1,400)	-	-	-	(1,400)
Balance at 31 July 2018	121,160	453,117	87,274	373,177	1,034,728
Carrying amount					
At 31 December 2017	1,860	23,298	317,963	989,812	1,332,932
At 31 July 2018	6,714	43,108	266,580	980,149	1,296,551

* Donated assets are included in plant and equipment (refer Note 4)

Sugar Cane Growers Council
Notes to the financial statements
For the period from 1 January 2018 to 31 July 2018

11. Investments

Non-current investment

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

	For the period from 1 January 2018 to 31 July \$	31 December 2017 \$
<u>Unit Trust of Fiji</u>		
This represents investment in Unit Trust of Fiji of 315,048 units (2017: 304,564 units) at \$2.18 (2017: \$1.90).	686,805	578,842
<u>Reconciliation of investment in Unit Trust of Fiji</u>		
Balance at 1 January	578,842	485,079
Additional units acquired during the year	22,660	20,265
Gain on remeasurement of investment to fair value	85,303	73,498
Balance at 31 July	686,805	578,842

Financial assets designated at cost are as follows:

Fiji Sugar Corporation

This represents investment in Fiji Sugar Corporation
Less provision for impairment

29,850	29,850
(29,850)	(29,850)
-	-

12. Cash and cash equivalents

Cash at bank	1,781,312	1,391,151
Cash on hand	2,280	1,950
Cash and cash equivalents in the cash flow statements	1,783,592	1,393,101

13. Held to maturity investments

Current	450,000	350,000
Non-current	100,000	100,000
	550,000	450,000

The interest rate on term deposits ranges from 3.25% to 5.25% per annum (2017: 3.6% to 5.25% per annum). The deposits have an average maturity ranging from 365 days to 730 days (2017: 365 days to 720 days).

Sugar Cane Growers Council
Notes to the financial statements
For the period from 1 January 2018 to 31 July 2018

	For the period from 1 January 2018 to 31 July \$	31 December 2017 \$
14. Receivables		
Growers levy receivable from The Fiji Sugar Corporation Limited	(698,621)	704,935
Less: Provision for doubtful debts	698,621	(704,935)
	<u>-</u>	<u>-</u>
Receivable from The Fiji Sugar Corporation Limited for sale of weedicide	1,039,435	1,263,191
Receivable from Labasa Cane Producers Association	-	68,541
Dividend receivable from South Pacific Fertilizers Limited	-	47,000
European Union grant receivable	15,555	-
VAT receivable	16,591	-
Other receivables	14,235	7,645
	<u>1,085,816</u>	<u>1,386,377</u>
<u>Movement in provision for doubtful debts</u>		
Balance as at 1 January	700,671	704,395
Recoveries	(2,050)	(3,724)
Balance as at 31 July	<u>698,621</u>	<u>700,671</u>
15. Other payables and accruals		
Payables and accruals	42,582	44,641
VAT payable	-	14,445
South Pacific Fertilizers Limited	1,110,581	1,398,295
	<u>1,153,163</u>	<u>1,457,381</u>
16. Deferred income		
(a) Donated assets		
Amounts created during the year	25,770	-
Amounts released to income	(2,133)	-
Balance as at 31 July	<u>23,637</u>	<u>-</u>
(b) Grant deferral		
Deferred income - grant *	610,244	50,000
	<u>633,881</u>	<u>50,000</u>

* The amount for the period relates to the Small Grant Scheme whereas for 31 December 2017, this related to the Sugar Levy Grant.

Sugar Cane Growers Council
Notes to the financial statements
For the period from 1 January 2018 to 31 July 2018

	For the period from 1 January 2018 to 31 July	31 December 2017
17. Employee benefits	\$	\$
Balance at 1 January	41,384	57,507
Created during the year	7,767	30,590
Leave utilised during the year	(21,298)	(46,713)
Balance at 31 July	<u>27,853</u>	<u>41,384</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.

18. Related parties

(a) The Members

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

- Sanjay Kumar (Chairman - appointed on 23 February 2018)
- Manasa Tagicakibau (term expired on 12 June 2019)
- Jovesa Vocea (reappointment on 12 June 2019)
- Jai Ram Khelawan (term expired on 12 June 2019)
- Nand Kishore (reappointment)
- Pradip Kumar (term expired on 12 June 2019)
- Prakash Chandra (term expired on 12 June 2019)
- Prabindra Singh (term expired on 12 June 2019)
- Joji Satakala (appointed on 12 June 2019)
- Abdul Samim (appointed on 12 June 2019)
- Ami Chandra (appointed on 12 June 2019)
- Devend Dharmend Nath (appointed on 12 June 2019)
- Radha Krishna (appointed on 12 June 2019)
- Rashmir Singh (appointed on 12 June 2019)

(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.

Sugar Cane Growers Council
Notes to the financial statements
For the period from 1 January 2018 to 31 July 2018

	For the period from 1 January 2018 to 31 July 2018	31 December 2017
	\$	\$
18. Related parties (continued)		
(c) Amounts receivable from / (payable to) related parties		
Payable to South Pacific Fertilizers Limited (Note 15)	(1,110,581)	(1,398,295)
Receivable from The Fiji Sugar Corporation Limited for sale of weedicide (Note 14)	1,039,435	1,263,191
Growers levy receivable from The Fiji Sugar Corporation	698,621	700,671
Receivable from South Pacific Fertilizers Limited (Note 14)	-	47,000

(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:

	For the period from 1 January 2018 to 31 July 2018	31 December 2017
	\$	\$
Purchase of weedicide from South Pacific Fertilizers Limited	838,201	1,907,568
Sale of weedicide to The Fiji Sugar Corporation Limited	855,158	1,827,029
Rental income from Sugar Cane Growers Fund	43,250	63,228

(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 8.

	For the period from 1 January 2018 to 31 July 2018	31 December 2017
	\$	\$
19. Material non-cash investing activity		
Re-investment of dividend income earned in Unit Trust of Fiji	22,660	20,265
Acquisition of property, plant and equipment via trade-in	1,376	-
Acquisition of assets via donation	25,770	-

20. Capital commitments

Capital commitments as at 31 July 2018 amounted to \$Nil (31 December 2017: \$Nil).

Sugar Cane Growers Council
Notes to the financial statements
For the period from 1 January 2018 to 31 July 2018

21. 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.

22. 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 24 to 25 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 period from 1 January 2018 to 31 July 2018. 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.

11 July, 2019

Nadi, Fiji

A handwritten signature of the KPMG firm, written in a dark, cursive script.

KPMG

Chartered Accountants

Sugar Cane Growers Council
Statement of operations
For the period from 1 January 2018 to 31 July 2018

	For the period from 1 January 2018 to	
	31 July 2018	31 December 2017
	\$	\$
Sales	812,325	2,086,823
Cost of sales	(826,299)	(2,066,681)
Gross (loss) / profit	(13,974)	20,142
Government grant	633,903	841,898
European Union grant	33,243	-
Dividend income	32,059	67,264
Gain on investments carried at fair value	85,303	73,498
Gain on sale of property, plant and equipment	1,376	105,441
Interest income	11,970	19,791
Rental income	45,131	70,597
Legal income	36,824	34,529
Knife sales	6,341	103,568
Insurance proceeds	6,826	-
Directors fees and hall hire	31,427	113,114
Small Grant Scheme administration fee	18,349	-
Weedicide admin fee	58,705	-
Total income	987,483	1,449,842
Expenditure		
Advertising	550	2,085
Auditor's remuneration - audit services	7,013	7,525
- other services	-	640
Bad debts	-	2,092
Bank charges	784	1,221
City rates	393	681
Cleaning	5,466	10,032
Depreciation	70,857	80,162
Donations	100	500
Electricity	11,994	21,681
Fiji National Provident Fund contributions	35,999	51,189
Fiji National University Levy	3,275	4,644
Fringe benefit tax	1,483	4,311
Expenses balance carried forward	137,914	186,763

The above statement of operations is to be read in conjunction with the disclaimer report set out on page 23.

Sugar Cane Growers Council
Statement of operations (continued)
For the period from 1 January 2018 to 31 July 2018

	For the period from 1 January 2018 to 31 July 2018	31 December 2017
	\$	\$
Expenses balance brought forward	137,914	186,763
Freight and cartage	795	-
Contribution to growers insurance	10,000	3,278
Growers accountant's fees	3,165	5,450
Hospitality	759	1,509
Insurance	17,055	19,469
Information technology	2,596	3,216
Legal department expenses	25,911	21,261
Meeting costs - other	6,498	10,735
Medical expenses	6,881	12,396
Motor vehicle expenses	17,005	27,928
Office expenses	4,592	9,245
Postage	2,198	3,058
Professional services	8,586	12,200
Purchase of knives	9,381	85,137
Rent	22,677	37,385
Repairs and maintenance	11,126	9,993
Security expenses	4,191	4,307
Staff training	16,104	-
Stationery and printing	13,082	17,736
Subscriptions	3,073	3,697
Small Grant Scheme supplier payments	288,839	-
Telephone	13,456	21,184
Wages and salaries	319,802	446,659
Water rates	2,176	2,452
Total expenditure	947,862	945,058
Operating surplus	39,621	504,784

The above statement of operations is to be read in conjunction with the disclaimer report set out on page 23.

