FSC

FIJI SUGAR CORPORATION

Annual Report 2014

PURE

Contents

2014

Corporate Profile

Our Organisation

The Fiji Sugar Corporation Limited was incorporated in Fiji by an Act of Parliament in 1972 to take over the milling activities with effect from 1st April 1973. It is successor to SPSM Limited and CSR Limited. In 2006 the Fiji Sugar Corporation Act was repealed allowing it to be governed solely under the Companies Act.

Our Shareholders

The Government of Fiji is a major shareholder which owns 68% of shares while statutory bodies, local companies and individuals own the rest of the shares. The Corporation's shares are listed and traded on the South Pacific Stock Exchange Limited.

Our Business

The Corporation owns and operates four sugar mills located at Lautoka, Ba and Rakiraki on the main island of Viti Levu while Labasa mill is located on the second largest island of Vanua Levu. The mills are strategically located on the drier side of the two larger islands where conditions are more suited to cane growing.

The Corporation is responsible for the manufacture and sale of raw sugar together with molasses as a by-product. The Corporation owns and maintains some 720 kilometres of railway network on which sugar cane is transported to the mills. The Corporation is one of the largest sector employers with a workforce of around 2,000 individuals during the peak crushing session.

The Sugar Industry is important to Fiji's economy as it contributes about 1.7 percent of GDP, generates about 8.0 percent of total exports with a total foreign earning of $159.6 million in 2013 based on the provisional data from RBF. Unlike many other export-oriented industries, most production inputs are domestic and have a high regional impact and cross-sectoral linkages.

The Corporation through its subsidiaries and related companies is also engaged in development and project work (FSC Projects Limited & Pacific Cogeneration Ltd).

Corporate Highlights

Financial Results

- Corporation's share of proceeds was $62.5 million compared to $54.5 million in the previous year.
- Consolidated trading loss was $4.7 million, compared to a loss of $10.3 million in the previous year.
- Loss from operations reduced to $13.5 million, compared to $18.7 million in the previous year.
- Operating profit for the year improved to $6.9 million, compared to $6.3 million in the previous year.
- A total of $39.9 million was invested in Property Plant and Equipment, compared to $17.7 million in the previous year. Increase mainly relate to major capital jobs; 10MW Cogeneration plant in Labasa and 5MW Turbo generator in Rarawai.
- Earnings per share improved to 0.16 from $0.14 in the previous year.

Operations

- A total of 1.61 million tonnes of sugarcane was crushed from an area of 38,248 hectares compared to 1.55 million tonnes from 41,959 hectares in the previous year.
- Sugar production increased to 179,870 tonnes compared to 154,815 tonnes in the previous year primarily as a result of improved cane production and TCTS.
- Tonnes Cane to Tonnes Sugar (TCTS) ratio was 8.95 compared to 9.99 in the previous year.
- Cane Quality (POCS) was 11.35 compared to 11.02 in the previous season.
- The total sugar exported to EU was 165,557 tonnes compared to 143,707 tonnes in the previous year.

Financial Summary

	2014 $'000	2013 $'000
Sales and Profit		
Total sales	223,971	198,986
Trading Profit / (Loss)	(4,697)	(10,285)
Income tax benefit	-	-
Loss due to flooding and cyclone	1,409	6,549
Unrealised exchange gain/(loss)	102	370
Reversal of Impairment loss	35,000	45,500
Operating Profit/(loss) after extraordinary items and income tax	6,946	6,254
Cash Flow ($'000)		
Operating activities	31,427	(34,852)
Investing activities	(32,559)	(24,387)
Financing activities	(4,170)	52,582
Net increase/(decrease) in cash	(5,302)	(6,657)
Financial Position ($'000)		
Working capital	(225,259)	(157,128)
Current assets	44,792	75,129
Total assets	279,274	254,607
Non-current liabilities	94,879	114,952
Current liabilities	270,051	232,257
Shareholders' equity	(85,656)	(92,602)
Additional Information		
Ratio of current assets to current liabilities	0.2	0.3
Ratio of debt to shareholders' equity	(4.3)	(3.7)

Corporate Governance

FSC views corporate governance in its widest sense, almost like a trusteeship; it is a philosophy to be professed, a value to be imbibed and an ideology to be ingrained in our corporate culture.

Corporate governance goes much beyond mere compliance; it is not a simple matter of creating checks and balances. It is in fact a continuous process of realising the Corporation's objectives with a view to make the most of every opportunity. It involves leveraging its resources and aligning its activities to consumer need, shareholder benefit and employee growth. Thereby the Corporation succeeds in delighting its stakeholders while minimising risks.

The primary objective is to create and adhere to a corporate culture of conscientiousness and consciousness, transparency and openness. The Corporation aims to develop capabilities and identify opportunities that best serve the goal of value creation, thereby creating an outstanding organisation.

Board Responsibilities

The Board remains committed to upholding the highest standards of integrity and transparency in its governance of the Corporation. The importance and the value of a balanced interplay between management, board and shareholders within the company remain a major principle governing the conduct of the Corporation.

The Corporation aims to be at the forefront of internationally recognised best governance practice. The Corporation complies in all material respects with the generally accepted governance principles. Corporate governance, as a dynamic interplay of forces, has its own sets of challenges and continues to evolve, especially in a small country like Fiji.

Central to the Corporation's sound corporate governance practices is the management of relationships and interests of its stakeholders. The Corporation embraces these challenges through its strategy, people, teamwork, leadership, experience and skills, relationships and proper identification and control of business risk. In doing so, the Board is required to determine sound management information and reporting system to the shareholders.

The Board supports a strong disclosure regime acknowledging transparency as a key element of an effective corporate governance system. This includes timely and accurate information to be disclosed on matters such as the Corporation's financial and operating results, its objectives, major share ownership and voting rights, remuneration for directors and material foreseeable risk factors.

In addition to disclosure on commercial objectives, the Board encourages disclosure of policies relating to the environment and the communities in which the Corporation operates. The Board meets regularly and receives full information in advance to help it discharge its duties. A Directors Package comprising pertinent background information and critical information on major risks, global industry trends and future direction of the Corporation is made available to all new directors.

The Board also supports the policies, principles and standards set out in the Companies Act, the accountancy profession and relevant statutory reporting requirements. While these do not determine the detailed course of conduct by directors, they support the need for the highest standards of behaviour and accountability.

Composition of the Board

The Board aims to bring people of the right calibre with a wide and diverse range of business experience and expertise. There are 7 directors on the Board, appointed by the shareholders. Board representation also includes key stakeholders.

Role of Shareholders

The Board ensures that shareholders are fully informed of all major developments affecting the Corporation's business. Information is communicated to shareholders in the Annual Report, special reports and forum. The Board encourages full participation of shareholders to ensure a high level of accountability in determination of the Corporation's direction, strategies and goals.

Management Responsibility

The information presented in this report is prepared by the Corporation's Management which maintains systems of internal accounting controls, policies and procedures to provide reasonable assurance as to the reliability of the financial records and the safeguarding of its assets. Management regularly seeks independent assessment and reviews of its internal accounting controls, policies and procedures.

Boards of Subsidiaries and Associate Entities

Directors on the Boards of the Corporation's subsidiaries and associate entities are appointed so as to provide requisite skills necessary to maximise shareholder value and safeguard stakeholder interests by promoting governance practices, policies and procedures which are generally consistent with those of the Corporation.

Board of Directors

Abdul Khan
Executive Chairman

Marika Gaunavou
Deputy Chairman

Alipate Qetaki

Ratu Deve Toganivalu

Viliame Gucake

Dijendra Singh

Ratu Wiliame Katonivere

Executive Management Group

Mikaele Biukoto
General Manager
Sugar Operations

Timoci Laqai
General Manager
Human Resources

Shivam Naidu
General Manager
Engineering

Thomas Peters
General Manager
Major Projects

Seru Vularika
Manager Branding &
Packaging

Rajneesh Lata Charan
General Manager
Information Systems

Mereani Mafi Lord
Legal Counsel/
Company Secretary

Deepak Raj
Manager Finance

Viliame Savou
General Manager
Lautoka Mill

Sailasa Waitawa
General Manager
Rarawai Mill

Karia Christopher
General Manager
Labasa Mill

Taito Kafoa
General Manager
Penang Mill

Executive Chairman's Report

The year under review has been a challenging one for the Fiji Sugar Corporation with even lower world sugar prices and the convergence of the European Union prices towards the lower world prices. The company has stayed steadfast in its strategy of "continuous incremental improvements" in its sugar manufacturing operations as it approaches world best practice in terms of sugar extraction.

A major achievement for the company and the farmers has been a record payment for the sugarcane. A payment of $88.49 per tonne of sugarcane is the highest in the history of the industry, even when considering the downward pressure on the sugar prices. This achievement has been possible through ensuring that all the stakeholders, especially farmers, logistic people and the company work hand in hand on the supply of fresh cane and the efficiency improvements of the mills.

The company now has also built traction on its strategic diversification strategy in terms of cogeneration, ethanol production and sugar refinery. It is the implementation of such capital investment that will both complement and compensate for the revenue required by the sugarcane industry sector to meet its long term sustainability goals.

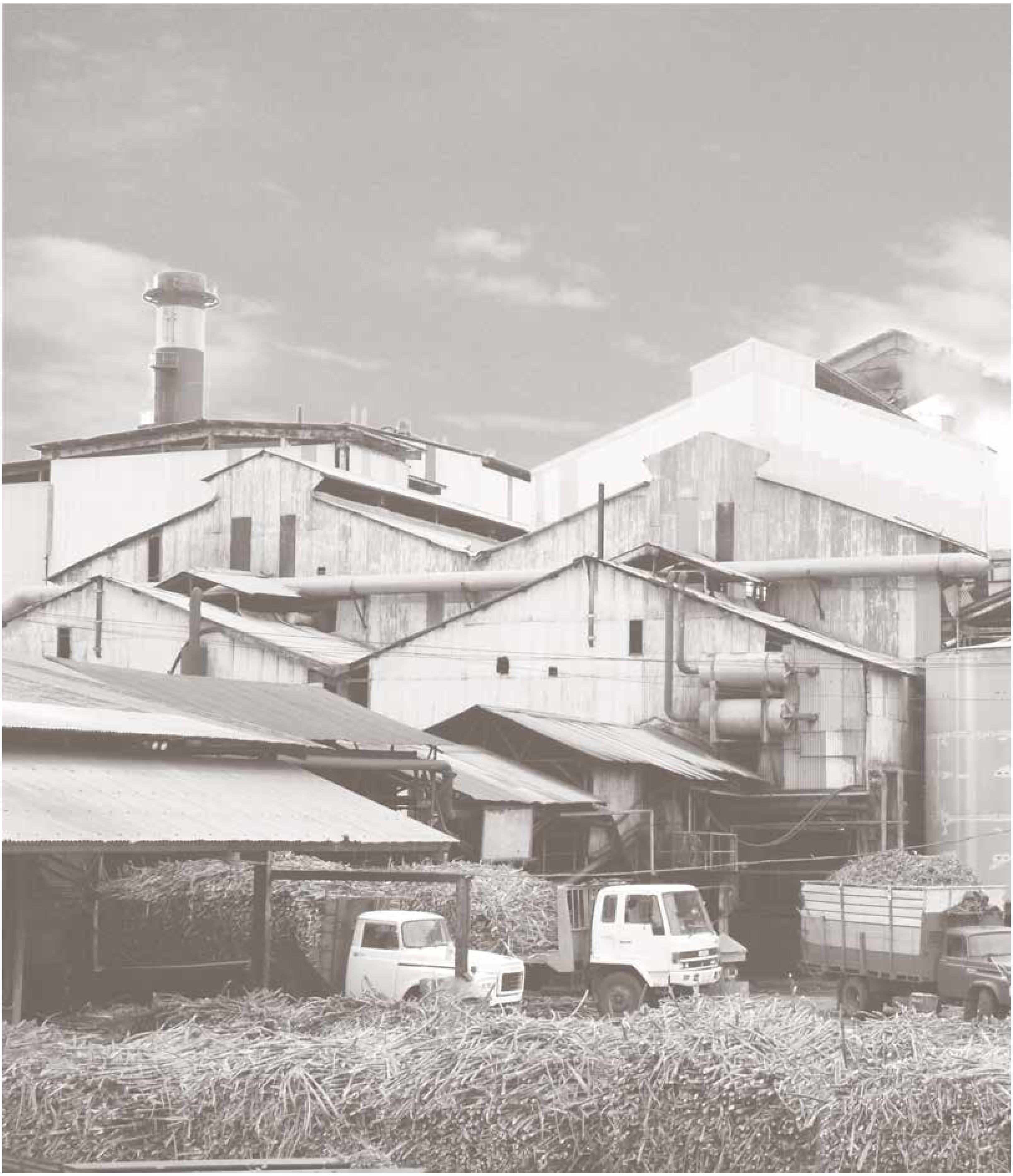
In terms of investing in our people the company continued the second year of its 3-year program with Vasandada Sugar Institute to up-skill our people in competencies focused solely in cane processing and sugar manufacture. This program will be concluded next year and it is expected that further training, other than refresher courses, will be offered. In addition, the engineering cadets have been attending Fiji National University and these capable staff will be re-engaged into the work force from next year.

The company's profitability has been maintained now for 3 years thus giving the financial market confidence in the company and the industry. The profit for the year was $6.9m after writing back a portion of the impairment loss.

Due to the age of the core sugar manufacturing assets, a civil and structural audit had commenced to establish the standard of the assets in terms of structural integrity and to identify and classify the risks to ensure that remedial action is taken on the high risk areas. This exercise has been of significant value considering the risk associated with adverse weather conditions such as cyclones and floods.

The EU has made the decision to abolish the quota system enjoyed by the ACP sugar producing countries from 1st October 2017. This means that the assured sale of up to 220,000 tonnes of raw sugar into the EU will no longer be possible. Although it is difficult to predict what the import levels into the EU is likely to be, as a company we have started exploring the possibility of other than EU market for the sale of our sugar. Based on the world sugar price at present, we are now more aggressive in driving down operational cost to ensure that we are as competitive as possible with other sugar sellers in the world market. The EU market, based on it still being a net importer, will be an important market.

Operationally the company has continued to improve the cane to sugar ratio by requiring only 8.95 tonnes of sugarcane to produce a tonne of raw sugar. This is a further improvement of 10 % from the previous year.

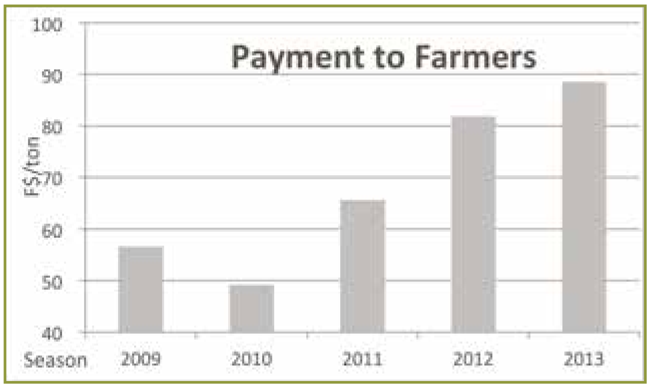


Review of Operations

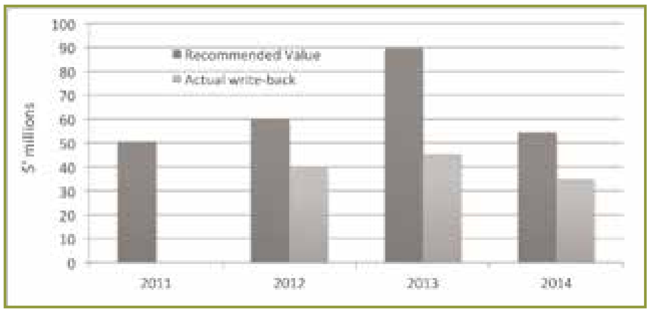
Operating Results

The company recorded a modest profit of $6.9 million for the year in review this is a slight increase from the previous year of $6.3 million. This means that the company has been able to maintain its profitability over the last 3 years as shown in the graph.

The contributing factors to the retention of profitability over the last 3 years have been an increase in operating revenue from $199 million to $224 million.



There was an increase in the cost of sales by $19.4 million due mainly to the additional payout to the farmers. Over the past 4 years, the payout to farmers for their sugarcane has increased steadily to a record of $88.49 per tonne of sugarcane. This growth of return to the farmers has been due to the efficiency of the mill by reducing the cost of sugar extraction and the slight increase in the quality of cane being produced. The graph shows the annual increase in the payout to the farmers on a per tonne basis.



Since the company suffered a large impairment loss of $173 million in 2011, there has been a gradual write back of this loss over the last 4 years. Although the company could rightfully write back a greater value, a more conservative approach is taken to ensure sustainability of the total asset value of the company.

The graph shows the actual impairment value written back over the last 4 years compared to the value that could have been written back.

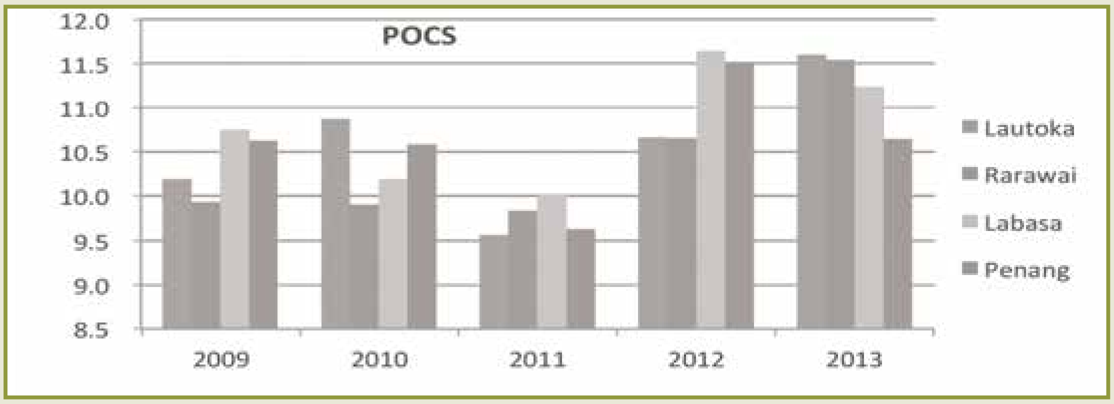
Cane Processing Operations

Through the strategy of "continuous incremental improvement", the operations of sugar extraction has improved significantly and the international measure of tonne of cane to tonne of sugar ratio (TCTS) reflects the efficiency gains. At the introduction of the industry reform, the TCTS ratio was 12.6, which meant that 12.6 tonnes of sugarcane was required to make tonne of raw sugar. In this year of review this ratio has been reduced to 8.95 .

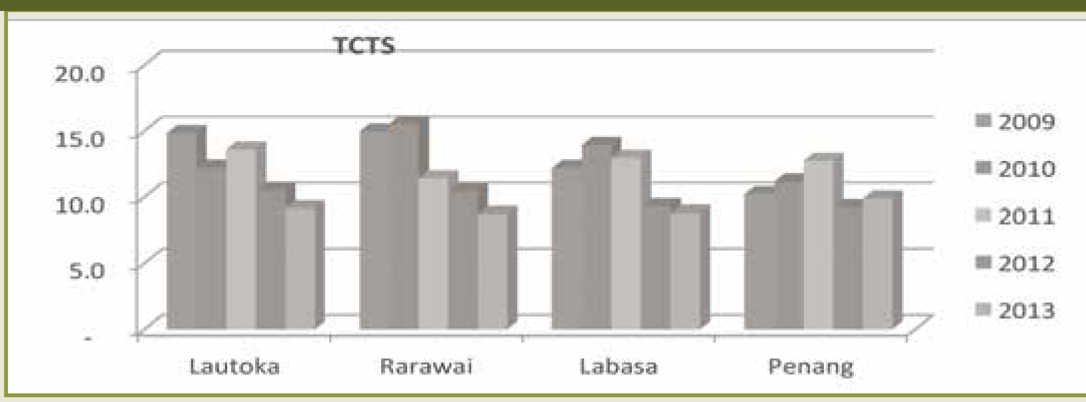
Review Of Operations (Cont'd)

The graph below shows the improvement over the last 4 years of the TCTS ratio.

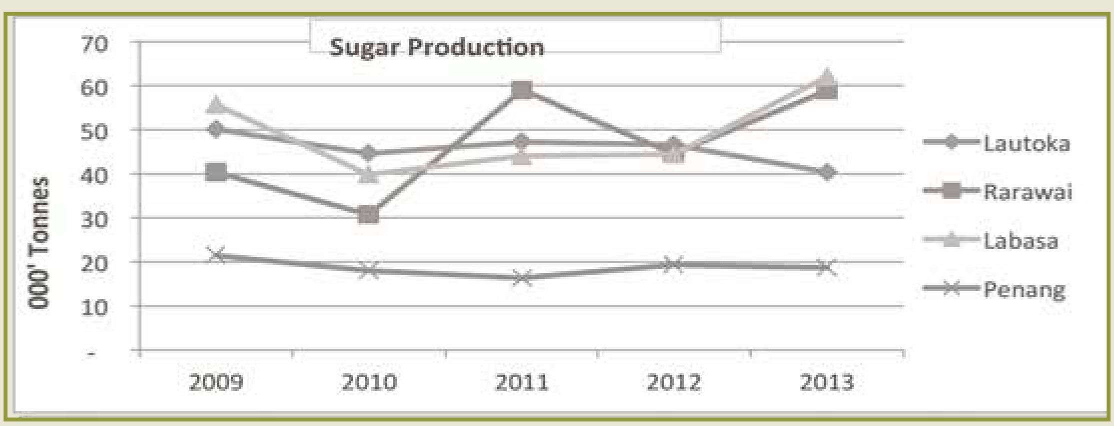
POCS



TCTS



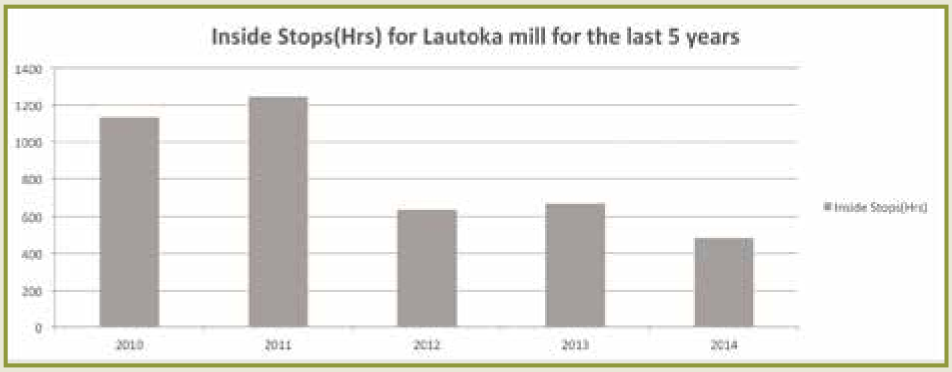
SUGAR PRODUCTION

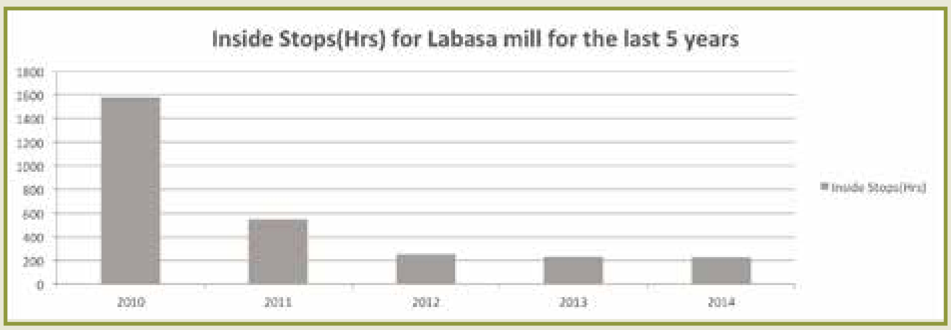


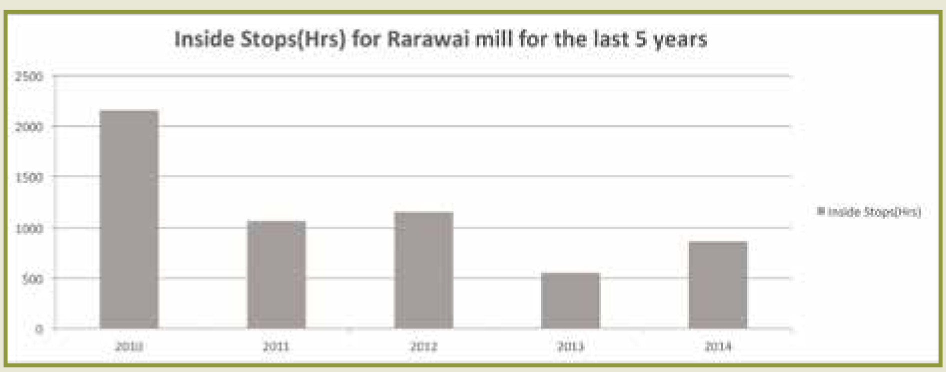
Review Of Operations (Cont'd)

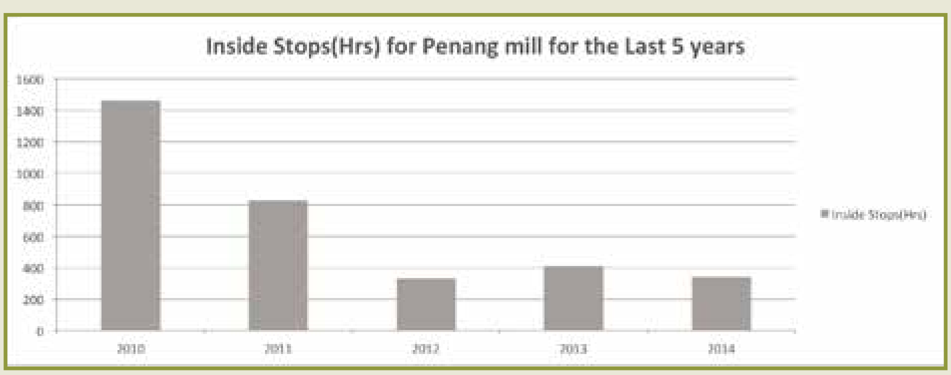
The improvements through increased maintenance of the rail system has slightly improved the delivery times of fresh sugarcane to the mills. This together with targeted maintenance of the mill machineries have shown results of lower stoppage time during the cane processing season. The graph below shows the total mill stoppage times over the last 4 years.

MILL STOPPAGES









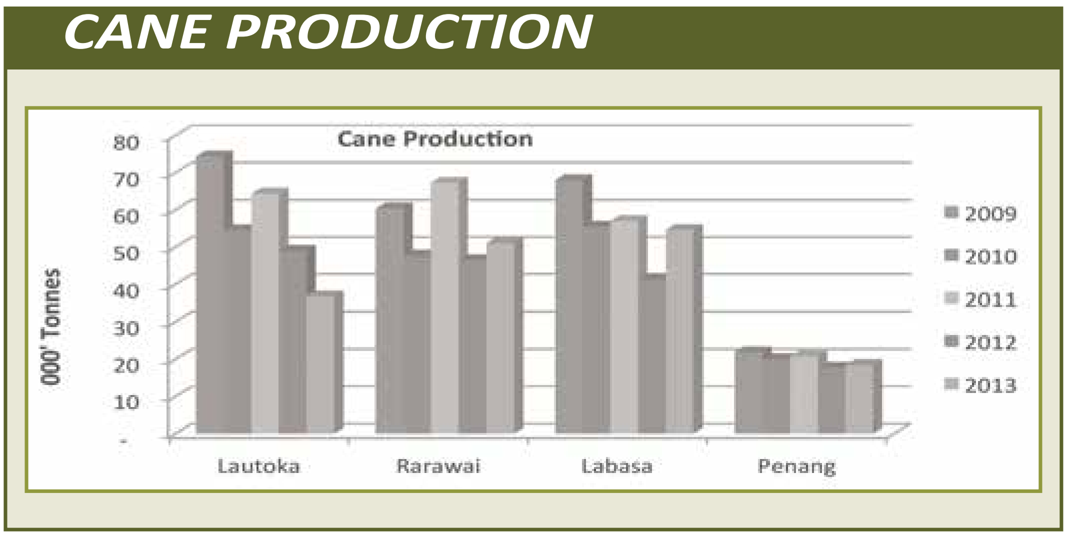
Review of Operations (Cont'd)

A major drawback was the loss of one of our valuable staff in an accident whereby he was badly burnt by the hot sugar juice. To avoid any further such accidents, all the similar equipment at all the mills were thoroughly inspected and where necessary, strengthened. This exercise was continued through the maintenance period by checking all pressure vessels to minimize any possible failures.

Cane Production

The four factories processed a total of 1,610,409 tonnes of cane from an area of approximately 38,248 hectares.

The tonnage is an increase of about 4 percent compared to the 2012 season. The crop yield stood at 42.1 tonnes cane per hectare. This is an increase of 14 percent over the yield of 2012 season.



Cane Development

The Fiji Government in its budget announcement on November 2013 announced an $8.4M financial assistance to support a cane planting program to bring back into cane production some 28,000Ha of long fallow land. These types of valuable support by the Government is the show of commitment to the industry to ensure the company's long term strategy of financial and economic sustainability of the sugarcane industry.

The assistance in the first instance has been to bring back both long and short fallow sugarcane land into production of the correct varieties suitable for the soil type. It is expected that will also improve the overall yield of cane on a per hectare basis.

The encouraging trend in the concerted effort of all the industry stakeholders to improve sugarcane production volumes is a very positive sign of cooperation and working together for the benefit of all. Looking back at the last few years, this has been a success factor that the so-called "blame game" has been minimized from the industry.

A total of 4,768 hectares of fallow land was brought back into production and 348 hectares of uneconomical ratoons were ploughed out and replanted. The meteorological drought which affected the cane districts from March 2014 to December 2014 had a significant effect on yield and to some extent, slowed the recovery of cane production. It is hoped that in the next year this momentum will be reinstated.

Review Of Operations (Cont'd)

Exports and Marketing

The table below indicates the sugar and molasses shipments in 2014 season

2014 CALENDAR YEAR SHIPMENT

Vessel	Cargo	Ltka Tonnage	Lbsa Tonnage	Total(MT)	ARR Date	Dep Date
Siteam Voyager	Molasses	21,900	13,100	35,000	11/8/14	16/08/14
Lambi	Sugar	13,900	18,000	31,900	17/08/14	27/08/14
Cape Nelson	Sugar	-	10,400	10,400	22/08/14	24/08/14
Furnesh Portland	Sugar	17,778	14,898	32,676	13/09/14	19/09/14
Atlantic Eagle	Molasses	17,863	14,075	31,938	13/10/14	22/10/14
Ken Kon	Sugar	27,333	4,567	31,900	24/10/14	1/11/14
Wulin	Sugar	16,341	18,895	35,236	14/12/14	23/12/14

A shipment of 10,400 tonnes was shipped to USA while the rest of the sugar was sold to EU through the American Sugar Refinery/Tate & Lyle Sugars.

One shipment of molasses was sold to Taiwan and the other was sold to US. Another two bulk shipments that are due to be shipped into EU are still being stored at our Bulk Sheds.

The sales of DC Raws into the local market continue to be strong and plans are in place to re-enter the regional markets in 2015.

Review Of Operations (Cont'd)

Human Resources

Manpower

Manpower needs was continuously monitored and reviewed to support the organisation's strategic objective and operation.

As a responsible employer with the philosophy of looking after its staff needs, we continue to balance the implementation of various key human resources strategies with our manpower needs. This is to avoid any negative effects on our staff and their families. The Corporation has therefore opted for other key HR strategies such as job merging and natural attrition over redundancy in order to control cost and optimize output of our Human Resources.

With the dynamic operational environment along with the invertible technological changes that now take place globally, the Corporation is adamant on the need to put in various manpower planning strategies to meet future challenges. It will further review and monitor its manpower plans and needs to meet future operations demand and challenges.

Training & Development

The Corporation is committed and will continue to invest in this key area. Training and staff development will always be a critical key area of our business and we will continually train our workforce in order to enhance their knowledge and skills to grow our organisation.

Two major highlights of our training program was the engagement of expertise from the Vasantdada Sugar Institute of India (VSI) to provide necessary training for our technical staff; and our partnership program with the University of the South Pacific on a Management Development Program for our middle and Senior Managers.

Review Of Operations (Cont'd)

Our apprentices have again brought glory and honor to our organization by scooping most of the awards at stake by winning Best Overall Apprentice Awards and the Best Overall in the individual trades of Electronics, Fitting and Machining, Heavy Mobile Plant Mechanic, Plumbing and Welding & Fabricating.

With the aim of maintaining a competitive workforce, our focus will be aligned to Leadership and Management training, Technical training and training in our Agriculture areas. This will further enhance and address skills gaps in these critical areas of our operation. Engagement of relevant expertise in critical areas will also be pursued in order to seamlessly transfer required knowledge and skills through our 'on the job' training programs.

Occupational Health and Safety

Occupational Health and Safety has been the central focus of the way we conduct the Corporation's business. Our future goal is to continuously improve the way we manage OHS in all our workplaces and become a resilient organization in this area.

Environment

The Corporation strongly believes in the philosophy of continuous improvement to control and address areas of concern such as air and water pollution that are discharged during mill operation. We will further review our current policies and procedures in this area in order to further minimize and eliminate environment effects that results from our operation.

Acknowledgement

As the major shareholder, Government has been unceasing in its support to the Corporation. I take this opportunity to thank Government for its confidence in the Industry by giving it the financial support and guidance ensuring its viability and sustainability.

To the farmers and other stakeholders in the Industry, thank you for your support in this difficult time.

Thank you to my fellow Directors for your contribution to Board deliberations. I look forward to your continued support as we face the challenges ahead.

To the management and employees of the Corporation, thank you for your dedication and perseverance in ensuring that our results are better compared to the previous year. With the declining sugar prices the challenges ahead are very real but not insurmountable. With a resilient crop coupled with commitment and teamwork, I have every confidence that we as an organisation will meet the challenges of declining sugar prices.

Executive Chairman

Financial Statements

2014

Directors' Report

In accordance with a resolution of the board of directors, the directors herewith submit the statements of financial position of The Fiji Sugar Corporation Limited (the "Corporation") and of the Group as at 31 May 2014 and the related statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows together with notes thereon for the year then ended and report as follows:

Directors

The names of directors in office at the date of this report are:

Abdul Khan - Executive Chairman
Marika Gaunavou - Deputy Chairman
Ratu Deve Toganivalu
Ratu Wiliame Katonivere
Dijendra Singh
Alipate Qetaki
Viliame Gucake

Group Financial Statements

The financial statements have been consolidated on the basis that the Corporation fully owns the equity capital of the subsidiaries.

Principal Activities

The Corporation owns and operates four sugar mills and is involved in the milling of sugarcane, manufacture and sale of sugar and molasses produced.

Principal activities of subsidiary companies are as follows:

FSC Projects Limited - examination and development of projects relating to the utilisation of natural resources.

FSC Services Pty Limited - this company ceased operations from May 2006.

Pacific Cogeneration Limited - the company is setting-up and preparation for construction of power cogeneration plant at Rarawai, Ba.

Results

The consolidated results of the Group are summarized below:

	2014 $'000	2013 $'000
Loss from operations	(13,479)	(18,705)
Finance income	89	145
Finance costs	(13,357)	(13,683)
Allowance for non-current inventory obsolescence	-	(624)
Unrealised exchange gain, net	102	370
Loss due to flooding	(376)	(5,340)
Loss due to cyclone	(1,033)	(1,209)
Reversal of impairment loss on property, plant and equipment	35,000	45,500
Impairment loss on capital works in progress	-	(200)
Profit for the year	**6,946**	**6,254**

Directors' Report [Cont'd]

Dividends

The directors recommend that no dividends be declared for the year ended 31 May 2014.

Reserves

It is proposed that no amounts be transferred to reserves within the meaning of the Seventh. Schedule of the Companies Act, 1983.

Basis of Accounting – Going Concern

The financial statements have been prepared on a going concern basis on the assumption that the Corporation will continue to receive ongoing support from the Government of the Republic of Fiji, the Corporation's debt will be restructured with additional equity, the Corporation will continue to achieve improvements in mill efficiency and mill performance together with significantly improved quantity and quality of cane supply and thereby generate adequate profits and cash flows from future operations to meet its obligations as and when they fall due. The directors believe that with the support of the Government, the Corporation and the Group entities will be able to continue in operation for at least 12 months from the date of this statement and the classification and carrying amounts of assets and liabilities as stated in these accounts are appropriate.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might become necessary should the Corporation and the Group be unable to continue as a going concern.

Significant Events During the Year

Significant events during the year were:

(i) Impairment of Property, Plant and Equipment

For the year ended 31 May 2014, an independent impairment review of the assets of the Corporation was carried out by an independent consultant from New Zealand. The impairment assessment was undertaken in accordance with International Accounting Standard 36 "Impairment of Assets". Based on the independent assessment, management has carried out an assessment of the recoverable amount of the assets. Due to improvement in sugar cane supply and quality, the improvements in mill efficiency and TCTS ratio, the expected recoverable amount and thereby the carrying value of property, plant and equipment has been assessed to have improved. Accordingly management has recognised reversal of impairment loss amounting to $35 million.

(ii) Fiji Development Bank Term Loan

During the year, the Corporation secured funding of $17,010,000 from Fiji Development Bank (FDB) for construction of 10MW power generation plant at Labasa. The loan is subject to interest at the rate of 4.5% per annum, and is payable in monthly instalments of $363,000 (including principal, interest, stamp duty and bank fees). Repayment of loan and interest will commence 18 months after disbursement. This borrowing is secured by Government guarantee. As at balance date, the Corporation has drawn $13,721,534.

Directors' Report [Cont'd]

(iii) Sugar Cane Growers Fund Loan

In 2012, the Corporation had obtained loan of $4.2 million from Sugar Cane Growers Fund (SCGF) at the interest rate of 4%. During the year, SCGF at the Corporation's request extended the repayment term till June 2015 and revised the interest rate to 3.5%. This loan is secured by Government guarantee.

Bad and Doubtful Debts

Prior to the completion of the Corporation's and Group's financial statements, the directors took reasonable steps to ascertain that action has been taken in relation to writing off of bad debts and the making of allowance for impairment. In the opinion of the directors, adequate allowance has been made for doubtful debts.

As at the date of this report, the directors are not aware of any circumstances, which would render the amount written off for bad debts, or the allowance for impairment in the Corporation's or the Group's financial statements, inadequate to any substantial extent.

Current and Non-Current Assets

Prior to the completion of the financial statements of the Corporation and the Group, the directors took reasonable steps to ascertain whether any current or non-current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Corporation and the Group.

Where necessary, these assets have been written down or adequate allowance has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the directors are not aware of any circumstances, which would render the values attributed to current and non-current assets in the Corporation's and Group's financial statements misleading.

Unusual Transactions

The management assessed reversal of impairment loss on the Corporations property, plant and equipment based on independent impairment assessment report and has recognized reversal of impairment loss amounting to $35 million.

Other than the impact of the above, the results of the operations of the Corporation and the Group during the financial year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature.

Events Subsequent to Balance Date

Subsequent to balance date, the Corporation has financed through the ANZ pre-export facility the repayment of bonds as follows:

- Reserve Bank of Fiji bonds of $12.5 million and $10 million which matured on 28 August 2014 and 5 November 2014, respectively.
- Fiji National Provident Fund bonds of $10 million which matured on 5 November 2014.

Directors' Report [Cont'd]

Events Subsequent to Balance Date [Cont'd]

Further, the Corporation has drawn down EUR 10.4 million through the ANZ Pre-export facility to fund the grower cane payment.

Other than the 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 Corporation and the Group, the results of those operations, or the state of affairs of the Corporation and the Group in future financial years.

Other Circumstances

As at the date of this report:

(i) no charge on the assets of the Corporation or the Group 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 Corporation or the Group could become liable; and

(iii) no contingent liabilities or other liabilities of the Corporation or the Group has become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Corporation or the Group to meet its obligations as and when they fall due.

As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report which would make adherence to the existing method of valuation of assets or liabilities of the Corporation and the Group misleading or inappropriate.

Directors' Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit disclosed in the financial statements and/ or included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements or received as the fixed salary of a full-time employee of any company in the Group or of a related corporation) by reason of contract made by any company in the Group or by a related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

For and on behalf of the board and signed in accordance with a resolution of the board of directors.

Dated this 2nd day of March 2015.

Director

Director

Statement By Directors

In accordance with a resolution of the board of directors of The Fiji Sugar Corporation Limited, and subject to disclosures made in the financial statements including disclosure under Note 23 in relation to going concern and support by the Government, we state that in the opinion of the directors:

(i) the accompanying statements of profit or loss and other comprehensive income of the Corporation and of the Group is drawn up so as to give a true and fair view of the results of the Corporation and of the Group for the year ended 31 May 2014;

(ii) the accompanying statements of financial position of the Corporation and of the Group is drawn up so as to give a true and fair view of the state of affairs of the Corporation and of the Group as at 31 May 2014;

(iii) the accompanying statements of changes in equity of the Corporation and of the Group is drawn up so as to give a true and fair view of the changes in equity of the Corporation and of the Group for the year ended 31 May 2014;

(iv) the accompanying statements of cash flows of the Corporation and of the Group is drawn up so as to give a true and fair view of the cash flows of the Corporation and of the Group for the year ended 31 May 2014;

(v) at the date of this statements, we believe that the Corporation and the companies in the Group will be able to pay their debts as and when they fall due; and

(vi) all related party transactions have been adequately recorded in the books of the Corporation and the companies in the Group.

For and on behalf of the board and signed in accordance with a resolution of the board of directors.

Dated this 2nd day of March 2015.

Director

Director

Independent Auditor's Report

To the Members of The Fiji Sugar Corporation Limited

We have audited the accompanying financial statements of The Fiji Sugar Corporation Limited (the "Corporation") and of the Group, which comprise the statements of financial position as at 31 May 2014, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 28 to 70.

Director's and Management's Responsibility for the Financial Statements

Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 1983, and for such internal control as the directors and management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's and the Group's preparation and fair presentation of the financial statements 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 Corporation's and the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the

overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material espects, of the financial position of the Corporation and of the Group as at 31 May 2014, and its financial performance, cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards.

Independent Auditor's Report [Cont'd]

To the Members of The Fiji Sugar Corporation Limited (Cont'd)

Report On Other Legal and Regulatory Requirements

In our opinion:

a) proper books of account have been kept by the Corporation and the Group, so far as it appears from our examination of those books;

b) the financial statements are in agreement with the books of account; and

c) to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1983 in the manner so required.

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.

Emphasis of Matter

Without qualifying our opinion expressed above, we draw attention to the following matter:

Continuation as a Going Concern

The Corporation incurred significant losses during recent years. During the year ended 31 May 2014, the Corporation incurred a loss (before reversal of impairment loss) of $28 million. The Corporation is also not generating adequate cash flows to meet all its commitments and obligations as and when they fall due.

As at 31 May 2014, total liabilities of the Corporation exceed total assets resulting in net liabilities of $86.9 million. The current liabilities exceed the current assets by $225.4 million.

The Corporation has significant debt repayment commitments amounting to $213.2 million during the financial year ending 31 May 2015. Furthermore, the Corporation may require funding to meet its working capital and capital expenditure requirements.

The above conditions and other matters as disclosed in Note 23 of the financial statements indicate the existence of a material uncertainty that cast significant doubt about the Corporation's and the Group's ability to continue as a going concern.

The appropriateness of the going concern assumption on which the financial statements are prepared is critically dependent on the Government's support to the Corporation and the sugarcane industry, the restructuring of the Corporation's debt and additional equity to enable the Corporation to continue in operation for at least twelve months. The appropriateness of the going concern assumption is also dependent on improved quantity and quality of cane supply together with improvements in mill performance, and other factors as outlined in Note 23.

Independent Auditor's Report [Cont'd]

To the Members of The Fiji Sugar Corporation Limited (Cont'd)

Emphasis of Matter (Cont'd)

Continuation as a Going Concern (Cont'd)

Should the going concern assumption be not appropriate, adjustments would have to be made to reflect a situation where the assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts stated in the statements of financial position of the Corporation and of the Group. In addition, the Corporation and the Group may have to provide for further liabilities which may arise, and to classify the noncurrent assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to these financial statements.

BDO

SUVA, FIJI
2 MARCH 2015

BDO
CHARTERED ACCOUNTANTS

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2014

	Notes	Consolidated		Holding Company	
		2014	2013	2014	2013
		$'000	$'000	$'000	$'000
Revenue					
Exports, sugar and molasses		194,947	179,577	194,947	179,577
Local, sugar and molasses		29,024	19,409	29,024	19,409
		223,971	**198,986**	**223,971**	**198,986**
Less: Cost of sales		(228,668)	(209,271)	(228,668)	(209,271)
Gross loss		(4,697)	(10,285)	(4,697)	(10,285)
Other income		301	1,096	301	1,096
NIR CQP costs reimbursement – Government grant	8	4,169	-	4,169	-
Realised exchange gain / (loss), net		(663)	50	(663)	50
Administrative and operating expenses		(12,589)	(9,566)	(12,584)	(9,561)
		(8,782)	(8,420)	(8,777)	(8,415)
Loss from operations	6	**(13,479)**	**(18,705)**	**(13,474)**	**(18,700)**
Finance income	7	89	145	87	143
Finance costs	7	(13,357)	(13,683)	(13,357)	(13,683)
Unrealised exchange gain, net		102	370	102	370
Allowance for non-current inventory obsolescence		-	(624)	-	(624)
Loss due to flooding		(376)	(5,340)	(376)	(5,340)
Loss due to cyclone		(1,033)	(1,209)	(1,033)	(1,209)
Reversal of impairment loss on property, plant and equipment	12(e)	35,000	45,500	35,000	45,500
Impairment loss on capital works in progress	12(e)	-	(200)	-	(200)
Profit before income tax		**6,946**	**6,254**	**6,949**	**6,257**
Income tax expense	10(a)	-	-	-	-
Profit for the year		**6,946**	**6,254**	**6,949**	**6,257**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**6,946**	**6,254**	**6,949**	**6,257**
Earnings per share					
Basic and diluted earnings (expressed in dollars per share)	11			0.16	0.14

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2014

	Notes	Consolidated		Holding Company	
		2014	2013	2014	2013
ASSETS		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	12	228,211	172,738	227,069	171,596
Available-for-sale financial assets	13(i)	-	-	12	12
Inventories	14	6,271	6,740	6,271	6,740
Total non-current assets		234,482	179,478	233,352	178,348
Current assets					
Held to maturity investments	13(ii)	4,822	11,783	4,734	11,697
Inventories	14	15,162	34,130	15,162	34,130
Trade and other receivables	15	14,419	13,884	15,570	15,032
Current tax assets	10(b)	469	451	466	448
Cash and bank balances		9,920	14,881	9,839	14,800
Total current assets		44,792	75,129	45,771	76,107
Total assets		279,274	254,607	279,123	254,455
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	17	22,200	22,200	22,200	22,200
Accumulated losses		(107,856)	(114,802)	(109,195)	(116,144)
Total equity deficit		(85,656)	(92,602)	(86,995)	(93,944)
Non-current liabilities					
Borrowings	18	92,084	112,159	92,084	112,159
Deferred income	19	869	905	869	905
Provisions	20	1,926	1,888	1,926	1,888
Total non-current liabilities		94,879	114,952	94,879	114,952
Current liabilities					
Borrowings	18	212,050	195,892	213,238	197,082
Provisions	20	2,301	2,847	2,301	2,847
Trade and other payables	21	55,700	33,518	55,700	33,518
Total current liabilities		270,051	232,257	271,239	233,447
Total equity and liabilities		279,274	254,607	279,123	254,455

The above statements of financial position should be read in conjunction with the accompanying notes. These financial statements have been approved by a resolution of the Board of Directors. For and on behalf of the Board.

These financial statements have been approved by a resolution of the Board of Directors. For and on behalf of the Board.

Director

Director

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2014

	Issued Capital $'000	Accumulated Losses $'000	Total $'000
Consolidated			
Balance at 1 June 2012	22,200	(121,056)	(100,660)
Profit for the year	-	6,254	6,254
Other comprehensive income	-	-	-
Balance at 31 May 2013	22,200	(114,802)	(92,602)
Profit for the year	-	6,946	6,946
Other comprehensive income	-	-	-
Balance at 31 May 2014	**22,200**	**(107,856)**	**(85,656)**
Holding Company			
Balance at 1 June 2012	22,200	(122,401)	(100,201)
Profit for the year	-	6,257	6,257
Other comprehensive income	-	-	-
Balance at 31 May 2013	22,200	(116,144)	(93,944)
Profit for the year	-	6,949	6,949
Other comprehensive income	-	-	-
Balance at 31 May 2014	22,200	(109,195)	(86,995)

The above statements of changes in equity should be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2014

	Consolidated		Holding Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Cash flows from operating activities				
Receipts from customers and other operating activities	221,049	201,551	221,049	201,551
Payments to suppliers, employees and other operating activities	(189,064)	(231,101)	(189,058)	(231,097)
Cash generated from / (used in) operations	31,985	(29,550)	31,991	(29,546)
Finance income received	34	80	34	80
Finance cost paid	(4,761)	(5,430)	(4,761)	(5,430)
NIR CQP costs re-imbursements – government grant	4,169	-	4,169	-
Government grant received	-	48	-	48
Net cash flows provided by / (used in) operating activities	31,427	(34,852)	31,433	(34,848)
Cash flows from investing activities				
Payments for property, plant and equipment	(39,862)	(17,725)	(39,862)	(17,468)
Advances given to subsidiary	-	-	(3)	(261)
Proceeds from withdrawal of deposits	7,303	2,500	7,303	2,500
Payments for term deposits	-	(9,162)	-	(9,162)
Net cash flows used in investing activities	(32,559)	(24,387)	(32,562)	(24,391)
Cash flows from financing activities				
Proceeds from borrowings	17,721	41,708	17,721	41,708
Repayment of borrowings	(4,017)	(7,000)	(4,017)	(7,000)
Proceeds from / (repayment of) borrowings – ANZ pre export facility	(17,874)	17,874	(17,874)	17,874
Repayment of advances from subsidiary	-	-	(3)	(2)
Net cash flows provided by / (used in) financing activities	(4,170)	52,582	(4,173)	52,580
Net decrease in cash and cash equivalents	(5,302)	(6,657)	(5,302)	(6,659)
Effect of exchange rate movement on cash and cash equivalents	187	98	187	98
Cash and cash equivalents at the beginning of the financial year	14,881	21,440	14,800	21,361
Cash and cash equivalents at the end of the financial year (Note 16)	9,766	14,881	9,685	14,800

The above statements of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2014

1 GENERAL INFORMATION

The Fiji Sugar Corporation Limited (the "Corporation") is a limited liability company incorporated and domiciled in Fiji.

The Corporation owns and operates four sugar mills and is involved in the milling of sugarcane, manufacture and sale of sugar and molasses produced.

The address of its registered office and principal place of business is at Drasa Avenue, Balawa, Lautoka.

Subsidiary Companies

Principal activities of subsidiary companies are as follows:

FSC Projects Limited - examination and development of projects relating to the utilisation of natural resources.

FSC Services Pty Limited - this company ceased operations from May 2006.

Pacific Cogeneration Limited - the company is setting-up and preparation for construction of power cogeneration plant at Rarawai, Ba.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

a) New standards and amendments effective from the year ended 31 May 2014

A number of new standards and amendments effective for the first time for periods beginning on (or after) 1 January 2013, have been adopted in these financial statements. The nature and effect of each new standard and amendment adopted by the Corporation and the Group is detailed below. Not all new standards and amendments effective for the first time for periods beginning on (or after) 1 January 2013 affect the Corporation's and the Group's financial statements.

i) IFRS 10 – Consolidated Financial Statements

IFRS 10 replaces the parts of IAS 27 – Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-12 – Consolidation - Special Purpose Entities. IFRS 10 changes the definition on control such that an investor has control over an investee when:

- It has power over the investee;
- It is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

The adoption of IFRS 10 did not result in having a significant impact to the Group.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

2. Adoption Of New And Revised International Financial Reporting Standards (Ifrs) (Cont'd)

ii) IFRS 13 - Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market condition regardless of whether that price is directly observable or estimated using another valuation technique. The application of IFRS 13 may result in changes in how companies determine fair values for financial reporting purposes. In addition, IFRS 13 requires extensive disclosures about fair value measurements.

IFRS 13 did not materially affect any fair value measurements of the Corporation's or the Group's assets or liabilities, with changes being limited to presentation and disclosure, and therefore has no effect on the Corporation's or the Group's financial position or performance.

In addition, IFRS 13 is to be applied prospectively and therefore comparative disclosures have not been presented.

b) New standards and amendments effective for the year ended 31 May 2014 that have no significant impact to the Group

Certain new standards, amendments and interpretations are also effective for the first time in these financial statements. However, none have a material effect on the company or on the group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with the Companies Act, 1983 and International Financial Reporting Standards ('IFRS') as required by the Fiji Institute of Accountants.

Basis of accounting - Going concern

The financial statements have been prepared on a going concern basis on the assumption that the Corporation will continue to receive support from the Government of the Republic of Fiji, the Corporation's debt will be restructured with additional equity provided by the Government, the Corporation will continue to achieve improvements in mill efficiency and mill performance together with significantly improved quantity and quality of cane supply and thereby generate adequate profits and cash flows from future operations to meet its obligations as and when they fall due. The directors believe that with the support of the Government, the Corporation and the Group entities may be able to continue in operation for at least 12 months from the date of this statement and the classification and carrying amounts of assets and liabilities as stated in these accounts are appropriate.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might become necessary should the Corporation and the Group be unable to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

3. Summary Of Significant Accounting Policies (Cont'd)

3.1 Basis of preparation

The financial statements of the Corporation and the Group have been prepared under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for goods and services.

In the application of IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the future periods are disclosed, where applicable, in the relevant notes to the financial statements.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in Note 5.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

3.2 Basis of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprises the Group. A list of subsidiaries appears in Note 13 to the financial statements.

Accounting for Subsidiaries

The holding company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed below.

Control is achieved when the holding company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

When the holding company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The holding company considers all relevant facts and circumstances in assessing whether or not the holding company's voting rights in an investee are sufficient to give it power.

Consolidation of a subsidiary company begins when the holding company obtains control over the subsidiary company and ceases when the holding company loses control of the subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

3. Summary Of Significant Accounting Policies (Cont'd)

3.2 Basis of consolidation (Cont'd)

The purchase method of accounting is used to account for the acquisition of subsidiary companies by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the group's statement of profit or loss as fair value gain on acquisition.

Changes in the holding company's ownership interest in a subsidiary company that does not result in the holding company losing control of the subsidiary company are equity transactions (i.e. transactions with owners in their capacity as owners) and accordingly reflected directly in the statement of changes in equity of the Group.

The Group derecognises the assets and liabilities of the former subsidiary from the Group's statement of financial position upon loss of control over a subsidiary company effective from the date the group losses its control. Furthermore, the resulting gain or loss associated with the loss of control attributable to the former controlling interest is recognised in the statement of profit or loss.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.3 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statements of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statements of financial position date.

3.4 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

3.5 Cash and Cash Equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise of cash on hand, cash in banks and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are stated net of bank overdraft. Bank overdrafts are shown within interest bearing borrowings in current liabilities in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

3. Summary Of Significant Accounting Policies (Cont'd)

3.6 Comparatives

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

3.7 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.8 Earnings Per Share

(a) Basic earnings per share

Basic earnings per share (EPS) is determined by dividing net profit after income tax attributable to members of the holding company by the weighted average number of ordinary shares outstanding during the year.

(b) Diluted earnings per share

Diluted EPS is the same as the basic EPS as there are no ordinary shares which are considered dilutive.

3.9 Financial Assets

The Group classifies its financial assets in the following categories: loans and receivables, held-tomaturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statements of financial position date, which are classified as noncurrent assets. The Group's loans and receivables comprise 'trade and other receivables' disclosed in the statements of financial position (Note 15). Bad debts are written off during the period in which they are identified.

Trade receivables and other receivables are recorded at amortised cost less impairment.

(b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

Held-to-maturity investments are measured at subsequent reporting dates at amortised cost.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Investments in subsidiaries are classified as available-for-sale investments and are accounted for at cost in the individual financial statements.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

3. Summary Of Significant Accounting Policies (Cont'd)

3.9 Financial assets (Cont'd)

(c) Available-for-sale financial assets (Cont'd)

The Group assesses at each statements of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statements of profit or loss and other comprehensive income.

3.10 Employee Benefits

Wages and salaries

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are accrued up to the reporting date.

Annual leave and sick leave

The liability for annual leave and sick leave are recognized in the provision for employee benefits. These benefits are expected to be settled within 12 months and are measured at their nominal values using the remuneration rate expected to apply at the time of the settlement.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Termination benefits

The Group recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made for redundancy. Benefits falling due more than 12 months after the statements of financial position date are disclosed at the present value.

Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

3.11 Foreign currency translation

i) Functional and presentation currency

The Group operates in Fiji and hence its financial statements are presented in Fiji dollars, which is the Group's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

3. Summary Of Significant Accounting Policies (Cont'd)

3.11 Foreign currency translation (Cont'd)

ii) Transactions and balances

Foreign currency transactions are translated into the Fijian currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of profit or loss and other comprehensive income.

Foreign exchange forward contracts outstanding as at the yearend are stated at fair values and any gains or losses are recongised in the statements of profit or loss and other comprehensive income.

iii) Group companies

Statements of profit or loss and other comprehensive income and cash flows of foreign entities are translated into the Group's reporting currency at average exchange rates for the year and their statements of financial positions are translated at the exchange rates ruling as at balance date.

3.12 Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants whose primary condition is that the Group should purchase, construct or other wise acquire non-current assets are recognized as deferred revenue in the statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognized as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related cost are recognized in profit or loss in the period in which they become receivable.

3.13 Impairment Of Non-Financial Assets

At each statements of financial position date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statements of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

3. Summary Of Significant Accounting Policies (Cont'd)

3.13 Impairment of non-financial assets (Cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statements of profit or loss and other comprehensive income, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.14 Inventories

Sugar and molasses are valued at net realisable value. Net realisable value is determined by approved selling prices, contracts or free market prices and is net of expected related marketing, selling and distribution costs.

Spares are stated at cost. Costs are assigned to spares using the weighted average basis and comprise all costs incurred in bringing the stocks to their present location and condition. Allowances for spare parts inventory obsolescence are raised based on a review of inventories, and aging of inventories. Inventories considered obsolete or un-serviceable are written off or brought down to their estimated fair value in the year in which they are identified.

3.15 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statements of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

3.16 Income Tax

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statements of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statements of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax is settled.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

3. Summary Of Significant Accounting Policies (Cont'd)

3.16 Income tax (Cont'd)

Deferred tax (Cont'd)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and the eligible tax losses can be utilised.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statements of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

3.17 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition and installation of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised.

All other repairs and maintenance are charged to the statements of profit or loss and other comprehensive income during the financial period in which they are incurred.

Cost of leasehold land includes initial premium payment or price paid to acquire leasehold land including acquisition costs.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold land	Term of lease
Buildings and improvements	2% to 10%
Plant, machinery and equipment	3% to 25%
Vehicles and transport systems	15% and 20%

New assets are depreciated from the commencement of the half-year in which they are commissioned.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statements of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profits and losses on disposals are determined by comparing the proceeds with the carrying amount and are taken into account in determining the results for the year.

Capital works in progress principally relates to costs and expenses incurred for capital works in the nature of property, plant and equipment. Capital work in progress is stated at historical cost and is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

3. Summary Of Significant Accounting Policies (Cont'd)

3.17 Property, plant and equipment (Cont'd)

Interest and other incidental costs on borrowings to finance the construction of property, plant and equipment are capitalized, during the period of time that is required to complete and prepare the asset for its intended use.

Costs incurred for capital work in progress are capitalised and are assessed by the management and directors on a periodic basis for its viability and successful implementation. The capitalised cost is written-off if the project development is abandoned permanently.

Repairs and maintenance are charged to the statements of profit or loss and other comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

3.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

3.19 Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of Value Added Tax, returns, rebates, brokerage, marketing fees, duties, taxes paid and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Finance income

Finance income is recognised on a time-proportion basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

3. Summary Of Significant Accounting Policies (Cont'd)

3.20 Segment Reporting

Operating Segments

An operating segment is a component of the Group which may earn revenue and incur expenses and the operating results are regularly reviewed by the Group's chief decision maker to make decisions about resources to be allocated to the segments and assess its performance.

The Group considers itself to be operating in one operating segment as its predominant revenue sources is from sugar milling. Revenue from other sources is not material for the purpose of segment reporting.

Geographical Segments

A geographical segment constitutes the provision of products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

The Group predominantly operates in Fiji and business from outside Fiji is not material. Accordingly, the Group is one geographical area for reporting purposes.

3.21 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments are considered indicators that a specific debtor balance is impaired. Impairment assessed at a collective level is based on past experience and data in relation to actual write-offs. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statements of profit or loss and other comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statements of profit or loss and other comprehensive income.

3.22 Trade And Other Payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.23 Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of Value Added Tax (VAT), except:

i) where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii) for receivables and payables which are recognised inclusive of VAT.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

3. Summary Of Significant Accounting Policies (Cont'd)

3.23 Value Added Tax (VAT) (Cont'd)

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

The VAT component of cash flows arising from operating and investing activities which is recoverable from or payable to, the taxation authority is classified as operating cash flows.

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk, price and volume risk, cash flow and fair value interest rate and risk regulatory risk), credit risk, liquidity risk, cane supply risk, and operational risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation with the operating units.

(a) Market risk

(i) Foreign exchange risk

The Group undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuation arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amount of the Group's foreign currency denominated significant monetary assets and liabilities (aggregating value over $500,000) at the end of reporting period are as follows:

	2014 $'000	2013 $'000
Liabilities		
Euros	-	17,874
Indian Rupees	-	931
US Dollar	79,009	72,730
Assets		
US Dollar	2,167	11,428
Euros	1,774	939

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of USA, Europe and India.

The following table details the Group's sensitivity to a 10% increase and decrease in Fiji dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

4. Financial Risk Management (Cont'd)

4.1 Financial risk factors

(a) Market risk (Cont'd)

(i) Foreign exchange risk (Cont'd)

Foreign currency sensitivity analysis (Cont'd)

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. If the FJD strengthen/weaken by 10% against the USD, INR and EUR, with all other variables held constant, pre- tax profit impact is as follows:

	Profit / (Loss) Impact			
	Strengthen		Weaken	
	2014	2013	2014	2013
	F$ 000's	F$ 000's	F$ 000's	F$ 000's
Euro – EUR	(160)	1,540	196	(1,882)
US Dollar – USD	6,986	5,573	(8,538)	(6,811)
Rupees – INR	-	85	-	(103)

(ii) Price and Volume risk

The Group is exposed to world sugar price for sugar exports to European Union (EU). The Group is also exposed to world molasses price for molasses exports.

The above risk is partly mitigated as the EU and the African, Caribbean & Pacific (ACP) have negotiated market access arrangements specific to sugar effective until 30 September 2017. The removal of 220,000 tonnes of raw sugar quota to EU from 1 October 2017 potentially put at risk the present volume exported to EU at premium price.

The Group does not have investments in equity securities quoted on stock exchange and hence is not exposed to equity securities price risk.

(iii) Cash flow and fair value interest rate risk

The Group has interest-bearing assets in the form of term deposits. These are at fixed interest rates and hence there are no interest rate risks during the period of investment. Given the fixed nature of interest rates described above, the Group has a high level of certainty over the impact on cash flows arising from interest income.

The Group also has significant interest-bearing borrowings denominated in foreign currency from Export Import Bank of India. These are at floating rates based on "US Dollar London Inter Bank Offered Rate (LIBOR)", and accordingly are exposed to interest rate risk.

In relation to borrowings from Government of Fiji, Fiji National Provident Fund, ANZ Banking Group Ltd, Sugar Cane Growers Fund, Reserve Bank of Fiji and Fiji Development Bank, the Group is not exposed to interest rate risk during borrowing term as it borrows funds at fixed interest rates. However, the Group is exposed to market interest at the time of the rollover of borrowings or refinancing of borrowings.

The interest rate risks and exposures are being closely monitored by the Executive Management of the Group and the Directors within the approved parameters.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

4. Financial Risk Management (Cont'd)

4.1 Financial risk factors

(a) Market risk (Cont'd)

(iv) Regulatory risk

The Group's profitability can be significantly impacted by sugarcane industry regulatory environment; regulatory agencies established which governs the Sugarcane Industry in Fiji and the ongoing and proposed reforms in the Fiji Sugarcane Industry.

In addition, the Group's profitability is also significantly impacted by the Reform of the European Union Sugar Regime as the Corporation sells most of its sugar to the EU. The EU and the ACP have negotiated market access arrangements specific to sugar under the regional Economic Partnership Agreements (EPA) effective from 1 October 2009 until 30 September 2017.

The salaries and wages payable to workers are subject to relevant wages regulations and employment legislation.

(b) Credit risk

Credit risk is managed at Group and at individual entity level. Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to wholesale and retail customers, including outstanding receivables. For banks, only reputable parties with known sound financial standing are accepted. The credit risks arising on account of receivables is moderate as the arrangement for the sugar and molasses sales to the EU and other ACP States are under long term agreement and protocol.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to ensure availability of funding. The Group monitors liquidity through rolling forecasts of the Group's cash flow position.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

			Consolidated		
	Less than1 year $'000	Between 1 and 2 years $'000	Between 3 and 5 years $'000	Over 5 year $'000	Total $'000
At 31 May 2014					
Short term borrowings	173,817	-	-	-	173,817
Long term loans and bonds	33,186	6,945	15,233	2,058	57,422
Export Import Bank of India	4,893	15,481	47,966	4,401	72,741
Bank overdraft	154	-	-	-	154
Trade and other payables	55,700	-	-	-	55,700
	267,750	22,426	63,199	6,459	359,834
At 31 May 2013					
Short term borrowings	173,817	-	-	-	173,817
Long term loans and bonds	4,201	32,500	7,000	-	43,701
Export Import Bank of India	-	4,889	56,054	11,716	72,659
Pre export facility – ANZ Banking Group Limited	17,874	-	-	-	17,874
Trade and other payables	33,518	-	-	-	33,518
	229,410	37,389	63,054	11,716	341,569

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

4. Financial Risk Management (Cont'd)

4.1 Financial risk factors (Cont'd)

(d) Cane supply risk

The Group's profitability is largely dependent on the cane supply by growers. Sensitivity on the impact of 10% change in cane production (of same quality) on the gross loss from proceeds of sugar and molasses is shown below:

	Gross profit / (loss) ($ million)		
Cane supply for the year 2014 (000t)	For the year endedv 31 May 2014	Effect of cane supply increase by 10%	Effect of cane supply decrease by 10%
1,610	(4.7)	1.2	(11.3)

(e) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, and fraud to external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The Group cannot expect to eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment procedures.

4.2 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and noncurrent borrowings' as shown in the consolidated statements of financial position) less cash and cash equivalents and term deposits. Total capital is calculated as 'equity' as shown in the consolidated statements of financial position plus net debt.

4.3 Fair Value Estimation

The carrying value less allowance for doubtful debts of trade receivables and payables are assumed to approximate their fair values. The carrying values of financial liabilities are estimated to approximate their fair values.

5. Critical Accounting Estimates And Judgments

In the application of the Corporation's and the Group's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

5. Critical Accounting Estimates And Judgments (Cont'd)

Critical Accounting Estimates And Judgments In Applying Accounting Policies

The critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Corporation's and the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Key Sources Of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(a) Impairment of property, plant and equipment

The Group assesses whether there are any indicators of impairment of all property, plant and equipment at each reporting date. Property, plant and equipment are tested for impairment and when there are indicators that the carrying amount may not be recoverable, reasonable allowance for impairment are created.

For the year ended 31 May 2014, an independent impairment review of the assets of the Corporation was carried out by an independent consultant from New Zealand. The impairment assessment was undertaken in accordance with International Accounting Standard 36 "Impairment of Assets". The recoverable amount of the relevant assets has been determined on the basis of their value in use. The value in use has been determined based on discounted cash flow assessment covering 10 years from 2014 to 2024 based on a scenario with cane volumes of 1.86 million tonnes for 2015 and increasing to 4.2 million tonnes in 2019, based on industry targets set in the Sugar Cane Industry Action Plan (SCIAP) 2013-2022 prepared by the Sugar Industry Stakeholder Action Group and estimated terminal value. The SCIAP 2013-2022 targets have been deferred by one year. The discount rate of 10.5% has been used in measuring value in use. In making financial forecasts, management has relied on technical experts wherever deemed appropriate, including the areas of engineering and marketing aspects of operations.

Based on the assessments carried out for the year ended 31 May 2014, management reversed an impairment write down recognized in previous years amounting to $35 million.

However, the future cash flow is dependent on key variables and some of the critical variables such as sugar price, exchange rate, cane volumes and POCS (pure obtainable cane sugar) ratio which are outside the control of the Corporation. Furthermore, variables such as mill uptime (including its impact on TCTS), crushing rate, level of operating costs and mill stoppages are critically dependent on the performance and efficiency of the mill.

Management's assessment of cash flow forecast involves making a judgment, at the particular point in time, about inherently uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

(b) Depreciation of property, plant and equipment

In relation to acquired property, plant and equipment, the management apply judgment to determine the depreciation period based on the expected useful lives of the respective assets. Where estimated useful lives or recoverable values have diminished due to technological change or market conditions, depreciation is accelerated.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

5. Critical Accounting Estimates And Judgments (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(b) Depreciation of property, plant and equipment (Cont'd)

The management's assessment of useful lives or recoverable amount involves making a judgment, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

(c) Allowances for stock obsolescence

Allowances for stock obsolescence is assessed and raised on a specific and collective basis based on a review of inventories, including the status of inventories by the engineering team of the Corporation. Inventories considered obsolete or un-serviceable are written off in the year in which they are identified.

(d) Impairment of accounts receivable

Impairment of accounts receivable balances is assessed at an individual as well as on a collective level. At a collective level, all debtors outstanding for more than three months (excluding those covered by a specific impairment provision) are considered to have been impaired and provision are made based on assessment of individual accounts.

(e) Impairment of equity investments

The Corporation assesses whether there are any indicators of impairment of equity investments at each reporting date. Equity investments are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable provision for impairment is created. The management's assessment of recoverable amount involves making a judgment, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

For the year ended 31 May 2014, no provision for impairment has been made as the Corporation on reasonably believes that the carrying value of equity investments is fully recoverable.

(f) Deferred tax assets

Deferred tax assets are recognized for all unused tax losses and benefits arising from temporary differences to the extent that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely and level of future taxable profits together with future planning strategies. The deferred tax asset relating to tax losses and temporary differences have not been brought to account as in the opinion of the management its realization is not considered to be probable. Further details are contained in Note 10(d).

(g) Deferred tax liabilities

Deferred tax liability is recognized on taxable temporary differences over unrealized gain on stock of sugar and molasses and is measured at the tax rates that are expected to apply in the period in which the liability is expected to be settled. The management's decision in recoding its deferred tax liability requires significant judgment and estimates of future tax rates and future tax payables. The deferred tax liability has not been recognized in view of significant unrecognized deferred tax assets relating to tax losses and other temporary differences which will be available as deduction against realization of temporary differences giving rise to tax liability. Subsequent events may result in outcomes that may be different from the judgments and estimates applied. Further details are contained in Note 10(c).

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

6. Loss From Operations

	Consolidated		Holding Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Loss from operations have been arrived at after crediting the following items:				
Amortisation of government grants (Note 19)	36	36	36	36
Creditors and payables written back	129	25	129	25
Gain on sale of plant and equipment	135	19	135	19
Loss from operations have been arrived after charging the following expenses:				
Auditors' remuneration for:				
- Audit services	69	65	65	61
- Other services	5	4	4	3
Bad debts written off	72	46	72	46
Depreciation and amortization:				
- Leasehold land, building and improvements	1,660	1,638	1,660	1,638
- Plant, machinery and equipment	16,140	16,081	16,140	16,081
- Vehicles and transport systems	1,460	1,548	1,460	1,548
Directors' emoluments for:				
- Directors remuneration	791	846	791	846
- Directors fees	42	42	42	42
- Other services and allowances	48	43	48	43
Impairment loss on receivables (Note 15)	68	733	68	733
Staff costs (Note 9)	29,586	26,367	29,576	26,367

7. Finance Income And Costs

	Consolidated		Holding Company	
	2014	2013	2014	2013
Finance Income				
Interest income	89	145	87	143
Finance Costs				
Finance expense:				
- Government loans	(8,691)	(8,204)	(8,691)	(8,204)
- Secured borrowings	(4,666)	(3,659)	(4,666)	(3,659)
- Arrangement fees - Pre-export facility	-	(1,820)	-	(1,820)
Total finance costs	(13,357)	(13,683)	(13,357)	(13,683)

Borrowing costs amounting to $823,552 (2013: $Nil) has been capitalized to capital work in progress (Note 12(b)).

8. NIR CQP Costs Reimbursement – Governement Grant

During the year the Corporation received reimbursement of $4,169,160 (2013: $Nil) from the Government in respect to Near Infra-Red (NIR) Cane Quality Payout (CQP) project costs incurred by the Corporation.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

9. Staff Costs

	Consolidated		Holding Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Wages and salaries	28,166	25,025	28,166	25,025
FNPF contribution	2,508	2,296	2,508	2,296
Other employee benefits	291	251	291	251
	30,965	27,572	30,965	27,572
Less: staff costs for capital works	(506)	(444)	(506)	(444)
	30,459	27,128	30,459	27,178
Provisions for employee benefits, net movement	(873)	(761)	(873)	(761)
Total staff costs	29,586	26,367	29,586	26,367

10. Income Tax

The prima facie tax expense is reconciled to the income tax expense as follows:

(a) Income tax expense

	Consolidated 2014	Consolidated 2013	Holding Company 2014	Holding Company 2013
Profit before income tax expense	6,946	6,254	6,949	6,257
Prima facie tax expense thereon at 20%	1,389	1,251	1,390	1,251
Tax effect of:				
Non-deductible expenses	312	230	312	230
Unrealised exchange loss, net	-	(74)	-	(74)
Amortisation of government grant	(7)	(7)	(7)	(7)
Deferred income tax asset not recognized, net of unrecognized deferred tax liabilities	(1,694)	(1,400)	(1,695)	(1,400)
Income tax expense	-	-	-	-

(b) Current tax asset

Movements during the year were as follows:

	Consolidated 2014	Consolidated 2013	Holding Company 2014	Holding Company 2013
Balance at the beginning of the year	451	414	448	411
Withholding tax	18	37	18	37
Balance at the end of the year	469	451	466	448

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

10. Income Tax (Cont'd)

(c) Deferred tax liability

Deferred tax liability of the Corporation and the Group amounting to $599,002 (2013: $1.65 million) in respect of unrealized gain on stock of sugar and molasses as at 31 May 2014 has not been recognized in view of significant unrecognized deferred tax assets relating to tax losses and other temporary differences which will be available as deduction against realization of temporary differences giving rise to tax liability.

(d) Deferred tax assets not recognised

In accordance with the provisions of the Income Tax Act, tax losses are allowed to be carried forward for 4 years.

The deferred tax assets of the Corporation and the Group relating to estimated tax losses and temporary differences amounting to approximately $31.09 million (2013: $38.27 million) have not been brought to account as its realization is not considered to be probable. The deferred tax asset will only be realized if:

(i) the Corporation and the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realized;

(ii) the Corporation and the Group continues to comply with the conditions for deductibility imposed by tax legislation; and

(iii) no changes in the tax legislation adversely affect the Corporation and the Group in realizing the benefit from the deductions for the loss.

11. Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing the net loss attributed to equity holdings of the Corporation by the weighted average number of ordinary shares in issue during the year.

	Holding Company	
	2014	**2013**
	$	**$**
Profit attributable to shareholders	6,949,187	6,256,954
Weighted average number of ordinary shares in issue (nos.)	44,399,998	44,399,998
Basic earnings per share (dollar per share)	0.16	0.14

(b) Diluted

Diluted earnings per share is same as basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

12. Property, Plant And Equipment

Consolidated	Freehold Land	Leasehold Land	Buildings and Improvements	Plant, Machinery and Equipment	Vehicles and Transport Systems	Capital Work In Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 May 2014							
Cost	21,904	189	70,599	387,710	48,325	56,085	584,812
Accumulated depreciation	-	(35)	(24,246)	(240,984)	(36,951)	-	(302,216)
Accumulated impairment losses	-	-	(11,249)	(41,159)	(1,977)	-	(54,385)
v							
Balance as at 31 May 2014	**21,904**	**154**	**35,104**	**105,567**	**9,397**	**56,085**	**228,211**
At 31 May 2013							
Cost	21,904	189	69,399	383,806	48,060	25,498	548,856
Accumulated depreciation	-	(33)	(22,822)	(227,371)	(36,307)	-	(286,533)
Accumulated impairment losses	-	-	(18,489)	(67,647)	(3,249)	(200)	(89,585)
Balance as at 31 May 2013	**21,904**	**156**	**28,088**	**88,788**	**8,504**	**25,298**	**172,738**

12. Property, Plant And Equipment (Cont'd)

Holding Company	Freehold Land	Leasehold Land	Buildings and Improvements	Plant, Machinery and Equipment	Vehicles and Transport Systems	Capital Work In Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 May 2014							
Cost	21,904	189	70,599	387,710	48,325	54,943	583,670
Accumulated depreciation	-	(35)	(24,246)	(240,984)	(36,951)	-	(302,216)
Accumulated impairment losses	-	-	(11,249)	(41,159)	(1,977)	-	(54,385)
Balance as at 31 May 2014	**21,904**	**154**	**35,104**	**105,567**	**9,397**	**54,943**	**227,069**
At 31 May 2013							
Cost	21,904	189	69,399	383,806	48,060	24,356	547,714
Accumulated depreciation	-	(33)	(22,822)	(227,371)	(36,307)	-	(286,533)
Accumulated impairment losses	-	-	(18,489)	(67,647)	(3,249)	(200)	(89,585)
Balance as at 31 May 2013	**21,904**	**156**	**28,088**	**88,788**	**8,504**	**24,156**	**171,596**

Consolidated and Holding Company

Note 12(a)

During year ended 31 May 2010, an independent impairment review of the assets of the Corporation was carried out by an independent consultant from New Zealand. Based on the independent assessment, the management had carried out an assessment of the value in use of property, plant and equipment, and had recognized impairment loss amounting to $173.4 million and allocated on a pro-rata basis to buildings and improvements, plant, machinery and equipment, vehicles and transport systems.

During the years ended 31 May 2012, 31 May 2013 and 31 May 2014, based on independent impairment assessment report, management has recognized reversal of impairment loss amounting to $40 million, $45.5 million and $35 million, respectively. The reversal of impairment has been allocated on a pro-rata basis to buildings and improvements, plant, machinery and equipment, vehicles and transport systems.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

12. Property, Plant And Equipment (Cont'd)

Consolidated and Holding Company (Cont'd)

Note 12(a) (Cont'd)

For the year ended 31 May 2014, an independent impairment review of the assets of the Corporation was carried out by an independent consultant from New Zealand. The impairment assessment was undertaken in accordance with International Accounting Standard 36 "Impairment of Assets". The recoverable amount of the relevant assets has been determined on the basis of their value in use. (Refer Note 5(a)). Due to improvement in mill efficiency and TCTS ratio together with expected improvement in quality and quantity of cane supply, the expected recoverable amount and thereby the carrying value of property, plant and equipment has been assessed to have improved. Accordingly management and directors have recognised reversal of impairment loss amounting to $35 million.

The Corporation has further carried out sensitivity analysis of assessment of recoverable amount as at 31 May 2014 with the following assumptions:

• Terminal growth rate -	± 2%	Expenditure -	± 5%
• Cane production -	± 5%	World market price -	± US$0.01
• Exchange rate -	± 5%		

Refer Note 5(a) in relation to critical accounting estimates and judgments, and significant uncertainty in relation to impairment of property, plant and equipment.

Note 12(b)

Capital work in progress principally relates to costs and expenses incurred for power cogeneration plant, sugar mill upgrades and mill modernization and other capital nature work on property, plant and equipment and capital expenditure on power cogeneration project at Labasa and Rarawai, Ba. Capital work in progress is not depreciated. Based on management assessment, impairment loss amounting to $Nil (2013: $200,000) had been recongnised on capital works in progress. During the year, borrowing costs amounting to $823,552 (2013: $Nil) in relation to the 10MW power cogeneration plant at Labasa was capitalized to capital work in progress.

Note 12(c)

In prior years, land and buildings were revalued based on the valuation carried out by independent registered valuers, Rolle Hillier Parker of Suva, Fiji in July 2002. Upon adoption of IFRS (effectively from, 1 June 2006), the Corporation had elected the option provided under IFRS 1 to apply the cost model (deemed cost) for land and buildings previously revalued, and accordingly, the cost value of land and buildings include revaluation increments amounting to $66,884,324.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

12. Property, Plant And Equipment (Cont'd)

Consolidated and Holding Company (Cont'd)

Note 12(d)

Property, plant and equipment of the Corporation are not insured for various risks including risk of losses arising from fire, cyclone, flooding, business interruption and others as the cost of insurance cover is significant. Vehicles are insured under comprehensive insurance cover.

Note 12(e)

Reconciliation of carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are as follows:

Total Consolidated	Land	Freehold Land	Leasehold Improvements	Buildings and Equipment	Plant, Machinery and Systems	Vehicles and Transport	Capital Work In Progress 2014	Total 2013
$'000		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 June	21,904	156	28,088	88,788	8,504	25,298	172,738	129,958
Additions	-	-	-	-	-	40,855	40,855	17,724
Transfer from CWIP	-	-	1,680	6,808	1,133	(9,621)	-	-
Disposals / write off	-	-	(246)	(377)	(52)	(447)	(1,122)	(977)
Depreciation (Note 6)	-	(2)	(1,658)	(16,140)	(1,460)	-	(19,260)	(19,267)
Reversal of impairment loss (Note 12(a)) 45,500		-	-	7,240	26,488	1,272	-	35,000
Impairment loss (Note 12(b))	-	-	-	-	-	-	-	(200)
Balance as at 31 May	**21,904**	**154**	**35,104**	**105,567**	**9,397**	**56,085**	**228,211**	**172,738**

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

12. Property, Plant And Equipment (Cont'd)

Note 12(e) (Cont'd)

Reconciliation of carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are as follows:

Holding Company	**Freehold Land**	**Leasehold Land**	**Buildings and Improvements**	**Machinery and Equipment**	**Plant, and Transport Systems**	**Vehicles Work In Progress**	**Capital Total 2014**	**Total 2013**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance as at 1 June	21,904	156	28,088	88,788	8,504	24,156	171,596	171,596
Additions	-	-	-	-	-	40,855	40,855	17,467
Transfer from CWIP	-	-	1,680	6,808	1,133	(9,621)	-	-
Disposals / write off	-	-	(246)	(377)	(52)	(447)	(1,122)	(977)
Depreciation (Note 5)	-	(2)	(1,658)	(16,140)	(1,460)	-	(19,260)	(19,267)
Reversal of impairment loss (Note 12(a))	-	-	7,240	26,488	1,272	-	35,000	45,500
Impairment loss (Note 12(b))	-	-	-	-	-	-	-	(200)
Balance as at 31 May	**21,904**	**154**	**35,104**	**105,567**	**9,397**	**54,943**	**227,069**	**171,596**

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

13(i) Available-For-Sale Financial Assets

	Consolidated		Holding Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Non-current				
Subsidiary companies				
Shares in subsidiary companies, at cost (a)	-	-	12	12

(a) Investments in subsidiaries

Name of Company	Incorporation	Place of Group Results		Book Value of Holding Company Contribution to (Ordinary shares)		Investments % Shareholding	
		2014	2013	2014	2013	2014	2013
		$	$	$	$	%	%
Unlisted Companies							
FSC Projects Limited	Fiji	(664)	(431)	100	100	100	100
FSC Services Pty Limited	Australia	-	-	11,875	11,875	100	100
Pacific Cogeneration Limited	Fiji	(2,592)	(2,537)	2	2	100	100
		(3,256)	(2,968)	11,977	11,977		

The financial statements of FSC Projects Limited and Pacific Cogeneration Limited are audited by BDO. The financial statements of FSC Services Pty Limited have not been audited. FSC Services Pty Limited is non-operating.

13(ii) Held To Maturity Investments

	Consolidated 2014	Consolidated 2013	Holding Company 2014	Holding Company 2013
Current				
Cyclone reserve deposit - ANZ Banking Group Limited	2,571	2,535	2,571	2,535
Term deposits				
- Westpac Banking Corporation	88	86	-	-
- ANZ Banking Group Limited (a)	2,163	9,162	2,163	9,162
Total current held to maturity investments	4,822	11,783	4,734	11,697

(a) Term deposits of $2,163,249 placed with ANZ Banking Group Limited is held as security against letters of credit.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

14. Inventories

	Consolidated		Holding Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Non-Current				
Capital spare parts and spare gears	10,963	11,432	10,963	11,432
Less: Allowance for inventory obsolescence	(4,692)	(4,692)	(4,692)	(4,692)
Total non-current inventories, net	6,271	6,740	6,271	6,740
Current				
Sugar and molasses	9,317	27,551	9,317	27,551
Maintenance spares and consumables	5,845	5,950	5,845	5,950
Goods in transit	-	629	-	629
Total current inventories	15,162	34,130	15,162	34,130

Sugar and molasses have been valued based on expected net realizable value.

15. Trade And Other Receivables

Current				
Trade receivables	2,151	939	2,151	939
Receivable from subsidiary	-	-	1,151	1,148
Receivable from liquidation of Fiji Sugar Marketingq	1,030	1,030	1,030	1,030
Receivable from the Government of Fiji – Sugar Cane Planting Program Grant (a)	1,705	-	1,705	-
Receivable from Joint Ventures (b)	194	-	194	-
VAT receivable	2,066	2,942	2,066	2,942
Growers advances	530	340	530	340
Recoverable expenses from contractors	599	587	599	587
Other receivables	3,493	3,064	3,493	3,064
	11,768	8,902	12,919	10,050
Less: Impairment loss	(749)	(733)	(749)	(733)
	11,019	8,169	12,170	9,317
Prepayments and deposits	3,400	5,715	3,400	5,715
Total current trade and other receivables, net	**14,419**	**13,884**	**15,570**	**15,032**

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

15. Trade And Other Receivables (Cont'd)

The carrying value of trade and other receivables and receivables from related parties are considered to be their reasonable approximation of their fair values. Movements on the allowance for impairment of trade and other receivables are as follows:

	Consolidated		Holding Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Opening balance	733	69	733	69
Impairment loss on receivables (Note 6)	68	733	68	733
Amounts written off during the year	(52)	(69)	(52)	(69)
Closing balance	749	733	749	733

Trade receivables principally comprise amounts outstanding for sale of sugar and molasses. Trade receivables are non-interest bearing and are generally settled on 30 – 60 day term.

(a) In Fiji Government's 2014 National Budget announcement, the Government had allocated $8.4 million grant to the Corporation in relation to the Sugar Cane Planting Program. As at balance date, the Corporation has submitted acquittals of $1,704,734 million to the Government.

(b) During the year, the Corporation entered into a Joint Venture Agreement between Tsunami Farms Limited and The Fiji Sugar Corporation Limited known as 'Nagigi Farms'. The purpose of the Joint Venture is to undertake commercial cane plantation over 115.7759 hectares of land at Nagigi, Labasa. As at balance date, receivable of $193,650 relates to costs incurred by the Corporation on account of the Joint Venture.

16. Notes To The Statements Of Cash Flows

Reconciliation Of Cash And Cash Equivalents

For the purpose of the statements of cash flows, the cash and cash equivalents comprise of the following:

Cash and bank balances	9,920	14,881	9,839	14,800
Bank overdraft	(154)	-	(154)	-
Total cash and cash equivalents, net	9,766	14,881	9,685	14,800

17. Share Capital

Authorised capital				
160,000,000 ordinary shares of 50 cents each	80,000	80,000	80,000	80,000
Issued capital				
44,399,998 ordinary shares of 50 cents each	22,200	22,200	22,200	22,200

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

18. Borrowings

	Consolidated		Holding Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Non-current				
Export Import Bank of India (a)	67,848	72,659	67,848	72,659
Fiji National Provident Fund - Bonds (d)	-	10,000	-	10,000
Reserve Bank of Fiji - Bonds (c)	-	22,500	-	22,500
Reserve Bank of Fiji – Loan (c)	7,000	7,000	7,000	7,000
Advances from Sugar Cane Growers Fund (b)	4,201	-	4,201	-
Advances from Fiji Development Bank (h)	13,035	-	13,035	-
	92,084	112,159	92,084	112,159
Current				
Bank overdraft	154	-	154	-
Export Import Bank of India (a)	4,893	-	4,893	-
Advances from Sugar Cane Growers Fund (b)	-	4,201	-	4,201
Advances from subsidiaries (e)	-	-	1,188	1,190
Advances from Government of Fiji (f)	173,817	173,817	173,817	173,817
Pre export facility - ANZ Banking Group Limited (g)	-	17,874	-	17,874
Fiji National Provident Fund - Bonds (d)	10,000	-	10,000	-
Reserve Bank of Fiji - Bonds (c)	22,500	-	22,500	-
Advances from Fiji Development Bank (h)	686	-	686	-
Total current borrowings	212,050	195,892	213,238	197,082
Total borrowings	**304,134**	**308,051**	**305,322**	**309,241**

Particulars Relating To Borrowings:

(a) Borrowings – Export Import Bank of India

The Corporation entered into a contract with the Export Import Bank of India on 7 November 2005 by way of Dollar Line of Credit of US$50.4 million for the upgrade of its sugar mills. The loan is secured by the Government guarantee and the principal amount was repayable in successive half yearly equal installments over a ten year period with an initial moratorium of 2 years, which was subsequently extended to 5 years. A further extension to the moratorium period was granted by 3 years to a total of 8 years. Interest is payable at the rate of London Inter Bank Offered Rate (LIBOR) plus 0.5%. Interest paid and / or accrued for the year ended 31 May 2014 has been expensed.

Accordingly, loan repayment commitments for the Corporation will recommence from February 2015.

(b) Sugar Cane Growers Fund

The borrowings from Sugar Cane Growers Fund (SCGF) as at balance date amounted to $4,201,198.

During the year, SCGF at the Corporation's request extended the repayment term till June 2015 and revised the interest rate to 3.5%. This loan is secured by Government guarantee.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

18. Borrowings (Cont'd)

Particulars relating to borrowings (Cont'd):

(c) Reserve Bank of Fiji

Bonds

The bonds issued by the Corporation to Reserve Bank of Fiji were subject to interest at the rate of 7%-8% per annum (payable bi-annually) and were secured by the Government guarantee. Subsequent to balance date, the bonds have been repaid on 28 August 2014 and 5 November 2014, respectively, on maturity.

Flood Rehabilitation Loan

The Corporation has borrowed $7,000,000 from Reserve Bank of Fiji (RBF) to finance rehabilitation work being undertaken due to severe flooding in the western division of the island of Viti Levu, Fiji. The loan from RBF is subject to interest at the rate of 1%-2% per annum and repayable by 9 May 2017. This borrowing is secured by the Government guarantee.

(d) Fiji National Provident Fund

The bonds of $10,000,000 issued by the Corporation to FNPF were subject to interest at the rate of 7% per annum (payable bi-annually) and were repaid subsequent to balance date, on 5 November 2014, on maturity. The bonds were secured by the Government guarantee.

(e) Advances from Subsidiaries

(i) Advance from FSC Projects Limited as at balance date amounted to $1,187,538. The advance is unsecured, interest free and repayable on demand.

(ii) Advance from FSC Services (Pty) Limited as at balance date amounted to $17,277. The advance is unsecured, interest free and repayable on demand.

(f) Advances from Government of Fiji

The borrowings from Government of Fiji aggregated $ 173,816,930 as at balance date and are subject to interest at the rate of 5% per annum. The borrowings are repayable after one year from the drawn down dates. However, the Corporation has not met its loan repayment commitments till 31 May 2014. The Corporation is currently in discussion with the Government for conversion of these loans into equity funding.

(g) Pre Export Facility – ANZ Banking Group Limited

The Corporation has signed pre-export finance facility for EUR 40 million with ANZ Bank on 15 August 2012 to fund the Corporation's operational expenditure and growers cane payment. The facility is available on revolving basis from May to January of each fiscal year and expires on 31 March 2015. Each drawing against the facility is to be repaid within 180 days and the facility is to be fully repaid by 31 March of each year.

The facility was secured by perfected assignment of Corporation's rights and interests under the export contract with the Off-Taker, first demand guarantee issued by the Government as the Guarantor and floating charge over all the Corporation's assets (including stocks of sugar and fixed assets).

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

18. Borrowings (Cont'd)

Particulars relating to borrowings (Cont'd):

(h) Advances from Fiji Development Bank

During the year, the Corporation secured funding of $17,010,000 from Fiji Development Bank (FDB) for construction of 10MW power generation plant at Labasa mill. The loan is subject to interest at the rate of 4.5% per annum, and is payable in monthly instalments of $363,000 (including principal, interest, stamp duty and bank fees). Repayment of loan and interest will commence 18 months after disbursement. This borrowing is secured by Government guarantee. As at balance date, the Corporation had drawn $13,721,534.

19. Deferred Income

	Consolidated		Holding Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Government grants	1,847	1,847	1,847	1,847
Less: Accumulated amortization	(978)	(942)	(978)	(942)
Deferred income, net	869	905	869	905

The above relates to grant received in relation to the bulk sugar shed and Lautoka lorry shed which is being amortised on a straight line basis at 2%.

20. Provisions

	Employee entitlements	Litigation claims	Unpaid Rent	Total
	$'000	**$'000**	**$'000**	**$'000**
Consolidated				
As at 1 June 2013	3,931	255	549	4,735
Additional provisions recognised / (paid) during the year , net	(582)	-	74	(508)
Carrying amount as at 31 May 2014	3,349	255	623	4,227
Holding Company				
As at 1 June 2013	3,931	255	549	4,735
Additional provisions recognised / (paid) during the year , net	(582)	-	74	(508)
Carrying amount as at 31 May 2014	**3,349**	**255**	**623**	**4,227**

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

20. Provisions (Cont'd)

	Consolidated		Holding Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Analysis of Total Provisions				
Non-current	1,926	1,888	1,926	1,888
Current	2,301	2,847	2,301	2,847
Total provisions	4,227	4,735	4,227	4,735
Employee entitlements consist of the following:				
Annual and sick leave	1,365	1,595	1,365	1,595
Long service leave	1,926	1,888	1,926	1,888
Others	58	448	58	448
Total employee entitlements	**3,349**	**3,931**	**3,349**	**3,931**

Annual Leave

Generally, annual leave is taken within one year of entitlement and accordingly, it is expected that a significant portion of the total annual leave balance will be utilised within the next financial year.

Long service leave and termination benefits

Long service leave and termination benefits are accrued for employees entitled to the same under their terms of employment. Note 3.10 outline the accounting policy and underlying basis for these accruals. The expected future payments are discounted at the rate of 5.5%.

21. Trade And Other Payables

Current				
Trade creditors – Supplies and general	3,864	3,955	3,864	3,955
Trade creditors – Capital project contractors	5,829	5,826	5,829	5,826
Other creditors and accruals	5,450	4,180	5,450	4,180
Growers creditors	13,439	1,921	13,439	1,921
Cane access road, ACRP and other grants payable	889	797	889	797
Interest payable	26,229	16,839	26,229	16,839
Total trade and other payables	**55,700**	**33,518**	**55,700**	**33,518**

The fair value of trade and other payables equals their carrying amount, as the impact of discounting is not significant.

Trade payables principally comprise amounts outstanding for trade purchases. Trade payables are non interest bearing and are normally settled on 30 – 60 days term.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

22. Contingent Liabilities

	Consolidated		Holding Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Wage claims and litigations (a)	535	490	535	490
Letters of credit undertakings by the bank (b)	1,672	8,823	1,672	8,823
Guarantees or bonds given by the bank	107	143	107	143
Total contingent liabilities	**2,314**	**9,456**	**2,314**	**9,456**

(a) Litigations

The Corporation and the workers or workers union are contesting various matters relating to employee grieviances, termination matters and certain other matters. The disputes are on matters of principle and interpretation. The matters are still under consideration by the Court, Tribunal and the Ministry of Labour. The ultimate outcome cannot be presently determined; accordingly no provision has been made in the financial statements for any liability that may eventuate from these claims.

As at balance date, provision of $255,000 (2013: $255,000) was made in respect of various court actions against the Corporation (Refer Note 20).

The directors believe that claims arising from such actions are not likely to be of material nature based on the advice of the Corporation's solicitors.

(b) Letters of credit

The letters of credit (LC) aggregating to $1,671,690 issued by ANZ Banking Group Limited is in favor of suppliers and engineering entity in relation to the construction of 10 MW power cogeneration plant at Labasa mill by the Corporation and 5 MW TG set at Rarawai mill.

23. Going Concern And Financial Support

The Corporation incurred significant losses during recent years. During the year ended 31 May 2014, the Corporation has incurred loss (before reversal of impairment loss) of $28 million (2013: $39 million).

As at 31 May 2014, total liabilities of the Corporation exceed total assets resulting in net liability of $86.9 million (2013: $93.9 million). The current liabilities exceed the current assets by $225.4 million, representing the ratio of 5.93: 1 (2013: $157.3 million, representing the ratio of 3.07: 1).

The Corporation has significant debt repayment commitments amounting to $213.2 million during the next twelve months, including $173.8 million repayable to the Government. The Corporation may require further funding to meet its working capital requirements, capital expenditure and fund the operating losses.

The Mill Upgrade Program has been completed. The mill upgrade was undertaken to improve plant reliability, sugar extraction, sugar quality, energy efficiency and environmental controls. For the year ended 31 May 2014 (2013 crush season), the performance of the mills has significantly improved compared to the prior year / season.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

23. Going Concern And Financial Support (Cont'd)

Given the financial position and the debt levels of the Corporation and recurring losses being incurred by the Corporation, these factors indicate that the Corporation may not be able to continue as a going concern.

Accordingly, the Government is committed to provide assistance to bring about the required reforms and improvements thereby:

- The Government continues to provide support to the Corporation and the sugarcane industry.
- The Corporation's debt is proposed to be restructured by the Government to enable the Corporation to meet its commitments and obligations on a timely basis.
- Improvements are achieved in cane supply volumes and quality, together with significant improvements in mill efficiency and performance with improved TCTS ratio and reduced mill operating cost.
- Sugarcane industry reforms are achieved and funding for the sugarcane industry at large is made available for a long term sustainability and survival of the sugarcane industry and the Corporation.

The Government as a majority shareholder has made a commitment to support and assist the sugarcane industry given the importance of the sugarcane industry for the economy of Fiji. The Government's support to the Corporation is evident by:

- The Government guarantee of $120 million which has been extended till 31 May 2015.
- Funding as at 31 May 2014 amounting to $173.8 million. These loans are being provided at an interest rate of 5%.
- The funding of $4.2 million from the Sugar Cane Growers Fund (SCGF) secured by Government guarantee. SCGF at the Corporation's request has extended the repayment term till June 2015.
- Funding from Fiji Development Bank of $17 million towards the construction of co-generation plant at Labasa Mill, which is secured by Government guarantee.
- In Fiji Government's 2015 National Budget announcement, the Ministry of Sugar is provided with a total funding of $11.8 million. Major programmes being funded include an increased allocation of $9.7 million for South Pacific Fertilizers Limited and $5 million towards the sugar development programme which targets the planting of 3,000 hectares of new crop in 2015. A sum of $2.5 million is also allocated for the upgrading of cane access roads while $0.6 million is provided for the purchase of cultivators.

Furthermore:

i) Management is making all efforts in consultation with the project engineers and contractors and other independent consultants to bring about efficiency within the upgraded mill plants and machinery at the three larger mills. Training of operators in critical areas of operations is continuing under the guidance of technical experts. It is expected with continuous improvement in this manner, the performance of the upgraded plants will fully integrate with older plant and machinery and it is expected the milling efficiencies will improve to an acceptable level of performance.

ii) Management is undertaking a number of initiatives with the Government and the sugar buyers Tate & Lyle Sugars Limited of UK to increase cane production.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

23. Going Concern And Financial Support (Cont'd)

iii) A number of strategies and initiatives have been put in place to reduce costs through rationalization of man power levels, streamlining of business operations, centralization of corporate functions and outsourcing of non-core activities.

iv) To address the challenges that the industry faces a Stakeholder Action Group (SAG) has been established. The SAG has prepared the Sugar Cane Industry Action Plan. The SAG is taking responsibility for problem identification, analysis and implementation and monitoring of agreed actions.

(v) The Corporation through the Joint Venture arrangements seeks to increase the sugar volume in the future. The Corporation is responsible to provide technical knowhow support (including land preparation, planting, maintenance and harvesting of cane) and organizing finance for the project works.

The directors consider the application of the going concern principle to be appropriate in the preparation of the financial statements as the directors anticipate the Government will continue to provide necessary support and significant improvements will be achieved in cane supply and mill performance and thereby the Corporation and the Group will be able to generate adequate funds to meet their liabilities as and when they fall due.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might become necessary should the Corporation and the Group be unable to continue as a going concern.

24. Commitments

	Consolidated		Holding Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
(a) Capital commitments				
Capital commitments contracted but not provided for in the financial statements	10,504	10,888	10,504	10,888
Capital commitments approved by the directors but not yet contracted	15,918	28,017	15,918	28,017
Total capital commitments	26,422	38,905	26,422	38,905
(b) Operating lease commitments				
Non-cancelable operating land and vehicles lease rental commitments are payable as follows:				
Not later than one year	556	191	556	191
Later than one year but not later than five years	1,790	759	1,790	759
Later than five years	7,975	8,131	7,975	8,131
Total operating lease commitments	10,321	9,081	10,321	9,081

(c) Commitments for purchase of cane and for supply of sugar

The Corporation is committed to purchase sugarcane from growers. Furthermore the Corporation is committed to supply sugar to the European Union through Tate & Lyle Sugars Limited, UK. Refer Note 25 for further details.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

25. Commitments For Purchase Of Cane And Commitments For Supply Of Sugar In The Next Twelve Months

The Corporation purchases cane from growers as required by the Master Award and in accordance with the terms, conditions and procedures set out in the Master Award. The Master Award forms an integral part of the Sugar Industry Act. Under the Master Award, the growers share 70% of the proceeds for sugar produced up to 325,000 tonnes; 72.5% of the proceeds for sugar produced between 325,000 – 350,000 tonnes and 75% of proceeds for sugar produced in excess of 350,000 tonnes. The sugar proceeds are shared net of industry costs such as marketing, shipping and Sugar Research Institute of Fiji.

During the 2014 crushing season, the growers supplied to the Corporation a total of 1.83 million tonnes of cane from which 226,855 tonnes of sugar has been produced. The Corporation expects to export approximately 200,000 tonnes of sugar against its supply commitments to the buyers.

The Corporation sells sugar to the European Union (EU) under the new regional Economic Partnership Agreements (EPA) that has come into effect from 1 October 2009 and is effective until 30 September 2017.

Under the EPA, the minimum regional safeguard threshold for the Pacific Region is 210,950.3 tonnes of white sugar equivalent for 2011/12 to 2016/17.

Fiji and Papua New Guinea are the two countries that are under the Pacific Region.

The above is equivalent to about 220,000 tonnes raw sugar from 2011/12 and beyond. This is sold to Tate & Lyle Sugars Limited, UK under a Long Term Agreement which is for 9.5 years commencing 1 March 2008 and expiring on 30 September 2017.

26. RELATED PARTY INFORMATION AND TRANSACTIONS

(a) Ownership Interests In Related Parties

Interests held in subsidiaries and associate companies are set out in Note 13 to the financial statements.

(b) Directors

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

Abdul Khan – Executive Chairman
Marika Gaunavou – Deputy Chairman
Ratu Deve Toganivalu
Dijendra Singh
Viliame Gucake
Ratu Wiliame Katonivere
Alipate Qetaki

Directors' emoluments for services as directors and other services are disclosed under Note 6.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

26. Related Party Information And Transactions (Cont'd)

(c) Transactions With Related Parties

All transactions with related parties are made on normal commercial terms and conditions. There were no material transactions during the year.

(d) Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year, twelve executives, (executive chairman, general manager engineering, four mill general managers, general manager-major capital projects, general manager information, general manager human resources, legal counsel, general manager sugar operations and project managerbranding/ packaging) were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Corporation and the Group.

The aggregate remuneration to the executive management group for year ended 31 May 2014 and 2013 were:

	Consolidated		Holding company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Short-term benefits	1,874	1,583	1,874	1,583
Long term benefits	9	22	9	22
(e) Year-end balances arising from sales / purchases of services				
Receivables from related parties (Note 15):				
- Subsidiary company	-	-	1,151	1,148
(f) Loans and advances from related parties				
Advance from subsidiary company (Note 18)	-	-	1,188	1,190

(g) Government guarantee and assistance

(i) The Government has approved guarantees to allow the Corporation to borrow in the short term money market and from Export Import Bank of India for its sugar mills upgrade and modernization. Refer Note 27 for the details of the guarantees provided.

(ii) In the prior years, the Government of Fiji provided funding to meet repayment of Government guaranteed loans and to fund on-going working capital requirements of the Corporation. The borrowings from the Government of Fiji aggregated to $173,816,930 as at balance date (2013: $173,816,930 (Refer Note 18)).

(iii) The Government has approved guarantees to allow the Corporation to seek funding from banks and other financial institutions. The Corporation has secured funding from Fiji Development Bank and Sugar Cane Growers Fund during the year (Refer Note 18).

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

27. Government Guarantee

The Government has provided certain guarantees to the Group, including the following:

(a) The Government had approved a guarantee limited to $120 million, valid until 31 May 2012, as per the Cabinet decision on 18 March 2010, to enable the Corporation to raise short-term loan finance to meet its working capital requirements. As per Cabinet decision on 3 July 2012 the Government has extended the guarantee until 31 May 2015. The Guarantee Agreement is yet to be executed by the Corporation and the Government.

(b) The Government has provided a guarantee of US $50.4 million for borrowings from Export Import Bank of India in relation to the sugar mills upgrade and modernization. As at balance date, the outstanding balance is US $38.6 million under this guarantee.

Furthermore, The Government as a majority shareholder has made a commitment to support and assist the sugarcane industry given the importance of the sugarcane industry for the economy of Fiji.

28. Significant Events During The Year

Significant events during the year were:

(i) Impairment of Property, Plant and Equipment

For the year ended 31 May 2014, an independent impairment review of the assets of the Corporation was carried out by an independent consultant from New Zealand. The impairment assessment was undertaken in accordance with International Accounting Standard 36 "Impairment of Assets". Based on the independent assessment, management has carried out an assessment of the recoverable amount of the assets. Due to improvement in sugar cane supply and quality, the improvements in mill efficiency and TCTS ratio, the expected recoverable amount and thereby the carrying value of property, plant and equipment has been assessed to have improved. Accordingly management has recognised reversal of impairment loss amounting to $35 million.

(ii) Fiji Development Bank Term Loan

During the year, the Corporation secured funding of $17,010,000 from Fiji Development Bank (FDB) for construction of 10MW power generation plant at Labasa. The loan is subject to interest at the rate of 4.5% per annum, and is payable in monthly instalments of $363,000 (including principal, interest, stamp duty and bank fees). Repayment of loan and interest will commence 18 months after disbursement. This borrowing is secured by Government guarantee. As at balance date, the Corporation had drawn $13,721,534.

(iii) Sugar Cane Growers Fund Loan

In 2012, the Corporation had obtained loan of $4.2 million from Sugar Cane Growers Fund (SCGF) at the interest rate of 4%. During the year, SCGF at the Corporation's request extended the repayment term till June 2015 and revised the interest rate to 3.5%. This loan is secured by Government guarantee.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 MAY 2014

29. Events Subsequent To Balance Date

Subsequent to balance date, the Corporation has financed through the ANZ pre-export facility the repayment of bonds as follows:

- Reserve Bank of Fiji bonds of $12.5 million and $ 10 million which matured on 28 August 2014 and 5 November 2014, respectively.
- Fiji National Provident Fund bonds of $10 million which matured on 5 November 2014.

Further, the Corporation has drawn down EUR 10.4 million through the ANZ Pre-export facility to fund the grower cane payment.

Other than the 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 Corporation and the Group, the results of those operations, or the state of affairs of the Corporation and the Group in future financial years.

30. Insurance

Property, plant and equipment of the Corporation are not insured for various risks including risk of losses arising from fire, cyclone, flooding, business interruption and others as the cost of insurance cover is significant. Vehicles are insured under comprehensive insurance cover.

31. Approval Of Financial Statements

These financial statements were authorised for issue by the directors on 2 March 2015.

10-Year Statistical Review

Financial statistics

for year ended 31 May (Prior to 2004 -31 Mar)		**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Turnover	($m)	224.0	199.0	203.6	141.5	194.7	245.8	234.9	274.3	235.2	242.7
Profit/(Loss) before taxation	($m)	6.9	6.3	1.8	(36.6)	(198.0)	(40.1)	(19.7)	6.9	(6.9)	(2.7)
Income Tax (expense)/benefit	($m)	-	-	-	-	22.9	3.3	0.4	(0.3)	3.3	0.7
Profit/Loss after taxation & Extra-ordinary items		6.9	6.3	1.8	(36.6)	(175.1)	(36.8)	(19.3)	6.6	(3.6)	51.9
Total Assets	($m)	279.3	254.6	196.1	148.7	140.3	312.0	273.5	249.8	211.4	222.8
Net Assets	($m)	(85.7)	(92.6)	(98.9)	(100.7)	(64.0)	111.0	147.8	167.1	168.4	168.6
Proceeds of Sugar & Molasses	($m)	214.6	185.7	200.8	121.6	180.5	204.5	206.1	272.1	231.6	237.8
FSC's share of proceeds	($m)	62.5	54.5	60.2	36.5	54.1	61.3	61.8	81.6	69.5	71.4
Price per tonne cane	($)	88.49	81.83	65.67	49.16	56.23	61.65	58.21	59.06	58.13	55.48

Production statistics

Season		**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**
Cane Crushed	(000t)	1,610	1,547	2,095	1,780	2,247	2,321	2,479	3,226	2,789	3,001
Sugar Produced	(000t)	179	155	167	132	168	208	237	310	289	314
Molasses Produced	(000t)	59	67	107	113	136	120	115	157	118	113
Tonnes Cane/Tonnes Sugar		9.0	10.0	12.6	13.5	13.4	11.2	10.0	10.4	10.0	10.0
Molasses % Cane		4	4	5	6	6	5	5	5	4	4
POCS %		11	11	10	10	10	11	11	11	11	12
Cane Purity %		82	82	80	79	79	80	81	81	82	83
Fibre in Cane %		12	12	11	12	12	12	11	12	12	12
Average Crushing Rate for all mills (tcph)		834	811	834	794	789	843	885	919	953	972
Actual Crushing Time as % of Available Time			63	61	60	53	60	68	68	76	75
79											

Field statistics

Season	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**
Number of Growers	15,528	15,948	16,259	16,609	17,762	18,683	18,691	18,649	20,290	
20,492										
Number of Active Growers	12,633	12,848	12,791	13,251	13,903	14,096	14,948	15,730	16,527	
17,639										
Tonnes Cane per Hectare	42	37	49	40	46	46	46	58	48	49
Average Tonnes Canae per Grower	127	120	164	134	162	165	166	205	172	170
Number of Cane Cutters	8,973	8,109	10,285	9,650	9,649	9,993	11,536	15,205	15,652	
15,270										
Output per Cutter (tonnes)	179	191	203	184	228	225	117	212	172	196
Burnt Cane %	29	36	25	23	32	50	33	51	36	34

Sugar exports - destinations and quantities (metric tonnes)

Season	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**
UK/EU	165,557	143,707	135,462	110,731	152,906	207,575	187,858	209,053	178,905	170,742
MALAYSIA	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	9,157	13,442	10,111	9,006
JAPAN	-	-	-	-	-	-	20,000	40,000	57,481	62,000
KOREA	-	-	-	-	-	-	-	-	-	-
CHINA	-	-	-	-	-	-	-	-	-	-
INDONESIA	-	-	-	-	-	-	-	-	-	25,425
SPECIAL PREFERENTIAL MARKET	-	-	-	-	-	-	-	-	-	6,475
TAIWAN	-	-	-	-	-	-	-	-	-	-
PORTUGAL	-	-	-	-	-	-	-	-	-	-
TOTAL	**165,557**	**143,707**	**135,462**	**110,731**	**152,906**	**207,575**	**217,015**	**262,495**	**246,497**	**273,648**

Notes

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