

2007



ORGANISATION PROFILE

The Sugar Cane Growers Council was established under the Sugar Industry Act No.8 of 1984 with specific functions to protect and further the interests of registered cane growers. It is the peak cane growers' organization representing the interests of all registered cane growers in Fiji. The Council is fully funded by the cane growers themselves.

Members of the Sugar Cane Growers Council are elected triennially and consist of 38 Sector Councilors elected by the cane growers of their respective sectors. The council elects the Board of Directors consisting of 11 Directors at its Annual General Meeting.

- The Chairman and 2 Vice Chairmen are elected from amongst the 38 members of the Council at the Annual General Meeting.
- Eight Ordinary Directors are elected by councilors from their respective districts at the Annual General Meeting.

BOARD OF DIRECTORS 2007

CHAIRMAN	JAIN KUMAR
VICE CHAIRMAN	KAMLESH KUMAR / PARAS RAM SOMAIYA
MEMBERS	MARIKA SILIMAIBAU UMESH PRASAD SURESH CHANDRA RAJ PARMOD KUMAR SHIU NARAYAN SHIU RAM JWALA PRASAD LEAKAT BEGG
CHIEF EXECUTIVE SECRETARY	JAI GAWANDER / SUNDRESH CHETTY (Acting) SUNDRESH CHETTY

OUR VISION

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

OUR MISSION

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

OUR GOALS

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

ACTIVITIES REPORT 2007

The Board of Directors of the Sugar Cane Growers Council takes pleasure in presenting its 2007 Report of Activities that includes the Audited Financial Statement for the year ended 31st December 2007.

1. WEATHER

The rainfall distribution during the year reveals higher rainfall between January and April. Since May, rainfall declined significantly, marked by intermittent cool periods. While most of the districts enjoyed favourable weather for harvesting and delivery of cane, dry

wind experienced affected crop in hilly slopes and shallow soil areas. During the months of September through to December all areas experienced considerable amount of rainfall, which at times disrupted the supply of cane to the mill.

The following is the rainfall record from January 2007 to December 2007

Table 1 Monthly Rainfall (mm) 2007

	L A U T O K A		R A R A W A I		L A B A S A		P E N A N G	
MONTH	RAIN DAYS	RAINFALL (MM)	RAIN DAYS	RAINFALL (MM)	RAIN DAYS	RAINFALL (MM)	RAIN DAYS	RAINFALL (MM)
<i>January</i>	11	60.9	11	110.3	10	99.5	13	64.2
<i>February</i>	17	438.5	18	583.0	22	458.2	22	343.1
<i>March</i>	25	676.1	24	903.8	27	619.0	27	716.0
<i>April</i>	16	223.5	14	160.8	16	166.9	18	185.7
<i>May</i>	8	41.9	6	13.8	9	101.4	13	80.2
<i>June</i>	1	0.5	2	7.1	8	55.5	4	25.0
<i>July</i>	6	48.8	4	42.2	4	19.5	5	35.8
<i>August</i>	5	21.6	4	14.3	8	48.7	10	29.7
<i>September</i>	16	201.8	11	239.2	18	327.2	16	204.3
<i>October</i>	10	111.4	14	140.0	17	131.1	12	45.4
<i>November</i>	16	268.0	18	305.4	21	310.4	18	329.9
<i>December</i>	18	271.7	16	285.4	21	438.9	20	557.8
Total	149	2362.7	142	2805.3	181	2786.2	179	2617.1
		(Av. 197)		(Av. 234)		(Av. 232)		(Av.218)

2. 2007 SEASON FORECAST OF CROP

The Council and the Corporation had forecast a crop of 3.0 million tonnes for the 2007 season.

Table 2.1

Mill	2007 Season (Forecast)	2007 Season (Actual)	Variance (+/-)
<i>Lautoka</i>	970,000	741,230	-228,770
<i>Rarawai</i>	1 026,000	738,477	-287,523
<i>Labasa</i>	880,000	769,147	-110,853
<i>Penang</i>	280,000	229,840	- 50,160
All Mill	3,156,000	2,478,694	-677,306

3. 2007 SEASON CROP

The 2007 season crop declined compared to 2006 by 0.75m tonnes. This is a notable decline of 23.2% and lost 3.5% of area under cane. The significant drop was due to prolonged dry weather in all three Viti Levu Mills. Labasa Mill's reduction was however caused by excessive rain from September to the end of crush, which led to poor harvesting effort. The four mills jointly crushed 2,478,694 tonnes of cane from an area of 53794.5 hectares giving an average of 46.1 tonnes per hectare. The stand over cane for the season was around 148,783 tonnes against 109,352 tonnes in 2006. Around 80% of the stand over cane was due to non-availability of the cane cutters and adverse weather conditions. This is an ongoing problem and is of concern to us.

STANDOVER CROP COMPENSATION- LABASA MILL

A substantial amount of cane was left standing in the Labasa Mill area after crushing was terminated on 24/12/07. The Corporation carried out it's own survey to determine the reasons for an increased stand over in the Labasa Mill Area and prepared a list. With the assistance of the Senior Executive Officer and the Councillors the list was reviewed and after a number of consultation meetings the Corporation agreed and paid a compensation for 62,000 tonnes of cane @ \$6.00 per tonne to the affected growers.

Table 3.1

<i>Mill</i>	<i>Crushed</i>	<i>Stand over</i>	<i>Total Crop</i>
<i>Lautoka</i>	741,230	35,890	777,120
<i>Rarawai</i>	738,477	6,780	745,257
<i>Labasa</i>	769,147	110,853	880,000
<i>Penang</i>	229,840	3,385	233,225
<i>All Mill</i>	2,478,694	156,908	2,635,602

Table 3.2 Cane Production 1999 - 2007

<i>District/ Mill</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>
<i>Lautoka</i>	315,017	430,025	367,240	415,713	350,696	431,444	360,412	492,901	543,874
<i>Nadi</i>	302,266	423,428	369,139	430,176	372,817	487,096	375,550	553,514	584,478
<i>Sigatoka</i>	123,947	179,784	154,400	186,212	166,986	218,584	170,781	253,810	304,771
<i>Lautoka Mill Total</i>	741,230	1,033,237	890,779	1,032,101	890,499	1,137,123	906,743	1,300,225	1,433,123
<i>Rarawai</i>	541,493	763,660	589,287	656,426	615,802	749,622	600,668	859,862	770,900
<i>Tavua</i>	196,984	268,279	172,417	222,095	220,923	321,957	243,743	390,927	222,769
<i>Rarawai Mill Total</i>	738,477	1,031,939	761,704	878,521	836,725	1,071,579	844,411	1,250,789	993,669
<i>Labasa</i>	566,948	637,846	667,492	626,627	453,287	700,594	617,762	654,106	914,708
<i>Seaqaqa</i>	202,199	233,182	243,171	221,877	185,564	237,856	227,682	257,233	277,980
<i>Labasa Mill Total</i>	769,147	871,028	910,663	848,504	638,851	938,450	845,444	911,339	1,192,688
<i>Penang Mill Total</i>	229,840	289,347	225,594	242,322	243,583	275,431	208,184	158,026	339,286
GRAND TOTAL	2,478,694	3,225,551	2,788,740	3,001,448	2,609,658	3,422,583	2,804,782	3,620,379	3,958,766

4. 2007 CRUSHING SEASON

COMMENCEMENT AND TERMINATION DATES & SEASON LENGTH- 2007

The 2007 crushing season started well at all mills on the same day. There were some hiccups and teething problems at the mills. These were ironed out as time went. The table below summarizes the actual dates and related data. Again in the later part of the season the frequent

mill breakdowns and cane supply problems due to unfavorable (rainy) weather conditions saw a stretch in termination at some mills. All the mills finished crush in November except Labasa, which ended its term on Christmas day.

Table 4.1 SEASON LENGTH AND AVERAGE WEEKLY CRUSH

<i>Mill</i>	<i>Cane (Tonnes)</i>	<i>Start Date</i>	<i>Termination Date</i>	<i>No of Wks</i>	<i>Average Wkly Crush (Tonnes)</i>
<i>Lautoka</i>	741,230	06/06/07	18/11/07	23.5	31,542
<i>Rarawai</i>	738,477	06/06/07	18/11/07	23.5	31,425
<i>Labasa</i>	769,147	06/06/07	25/12/07	29.0	26 522
<i>Penang</i>	229,840	06/06/07	06/11/07	21.8	10 543
Total	2,478,694				100,032

Crop Yield

Significant variations in crop yield have been noticed between different mill areas with some improvement evident in overall production. This improvement is attributed to the Crop Development Project (CDP) run by the Sugar Cane

Growers Fund (SCGF). Growers are taking advantage of the loan at 2% interest rate to boost their production thus increasing the national production. Some renewed land leases are also contributing to the increase.

5. CANE TRANSPORTATION

The 2007 season saw a slight decrease conversion of cane transportation from rail to lorry mode. The rail percent cane increased by 3% compared to 2006. However approximately 75% of all cane transported to the mills was still by lorry direct method. The deteriorating condition of the rail infrastructure and the increasing difficulties in receiving sufficient trucks to fulfill quota requirements is continuing to drive growers to convert to lorry direct

method. The Corporation is trying to reduce their cost, as a lot of funds are needed in maintaining the rail systems thus are trying to eradicate the rail system. This move by the Corporation is a breach of cane transport provisions in the Master Award and the Council continues to resist a complete change to lorry mode.

The lorry mode would also be costly to growers thus reducing their profit. The

Sugar Cane Growers Council will continue to support its belief that an effective and efficient rail transport system can be the cheapest mode of bulk transportation of cane. The Corporation has now realized that perhaps a change in direction in terms of cane harvest and transport system earlier would have paid

better dividends. Using a dwindling bottom-line to justify neglect of the tramline network is perhaps one of the costliest decisions that FSC has made for the sugar industry in Fiji. However after continuous pressure from the stakeholders, FSC has finally agreed to upgrade the rail transport system.

6. MILL PERFORMANCE

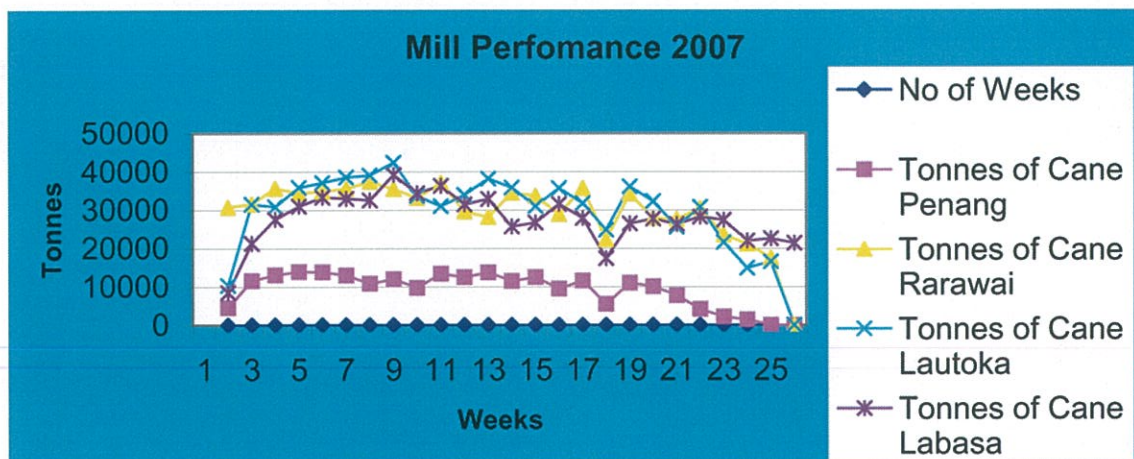
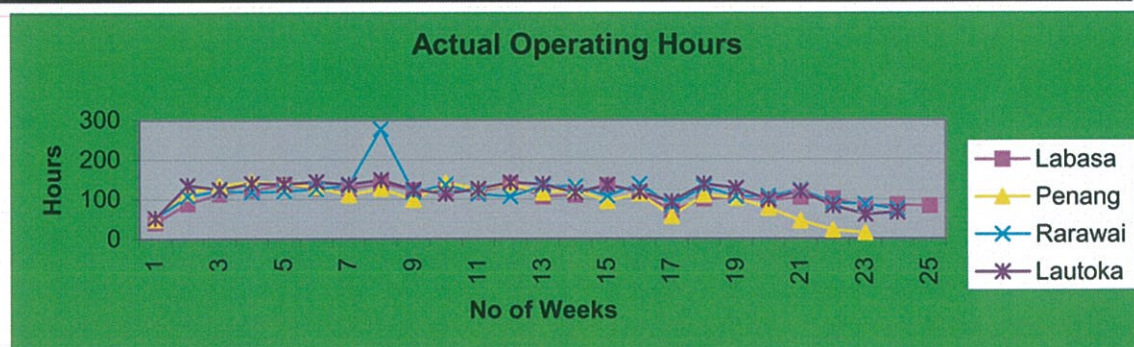


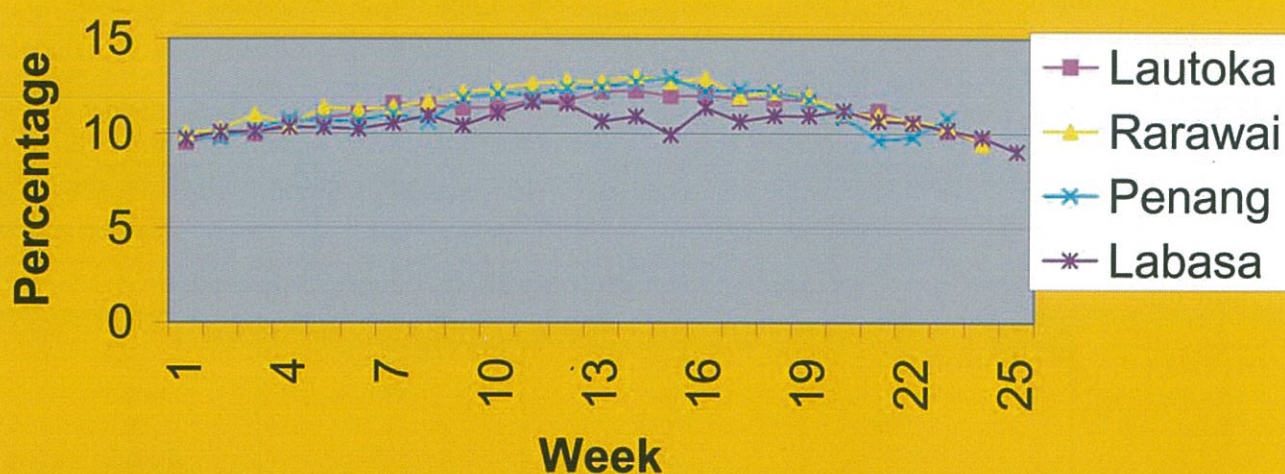
Table 6.1

	Lautoka	Rarawai	Labasa	Penang	All Mills
Tonnes Crushed	741,230	738,477	769,147	229,840	2,478,694
Weeks Crushed	23.5	23.5	29	21.8	32.6
Average Crush	31,541	31,425	26,522	10,543	100,031
2006 Crush	31,310	32,279	30,277	13,152	107,018
Variance +/-	+231	-854	-3,755	-2,609	-6,987



7. CANE QUALITY AND SUGAR PRODUCTION

Pure Obtainable Cane Sugar (POCS)



Rarawai Mill has registered the highest sugar content (POCS) in cane and records the best TCTS ratio for the 2007 season. The TCTS was the highest in Labasa standing at 11.5 followed by

Penang at 10.2 and Lautoka at 10.2. Labasa mill also recorded the lowest POCS at 10.44 followed by Lautoka at 11.25 and Penang at 11.45. Average POCS was 11.19 for the year.

Table 7.1 Cane Quality and Sugar Production 2007

Mill	Cane (Tonnes)	Sugar (Tonnes)	Molasses (Tonnes)	POCS	TCTS	Cane Purity %	Burnt Cane %
Lautoka	741,230	72,747	33,487	11.25	10.20	81.6	38.8
Rarawai	738,477	76,775	36,137	11.60	9.70	82.3	40.4
Labasa	769,147	66,640	35,107	10.44	11.50	80.1	20.1
Penang	229,840	21,256	10,608	11.45	10.44	83.7	36.2
TOTAL	2,478,694	237,418	115,339	11.19	10.44	81.9	33.4

Table 7.2 Pure Obtainable Cane Sugar & Tonne Cane Tonne Sugar

Mill	2007 SEASON		2006 SEASON		2005 SEASON		2004 SEASON	
	POCS	TCTS	POCS	TCTS	POCS	TCTS	POCS	TCTS
Lautoka	11.25	10.2	10.7	11.1	11.5	9.5	11.38	9.6
Rarawai	11.60	9.7	11.5	9.8	11.5	9.2	12.09	8.9
Labasa	10.44	11.5	11.5	10.7	10.9	10.3	11.12	9.9
Penang	11.45	10.8	11.8	9.5	12.3	9.4	11.29	10.1
Average	11.19	10.44	11.4	10.3	11.4	9.7	11.51	9.6

8 BURNT CANE

There has been a slight decrease in the level of cane burning. Labasa mill recorded the lowest percentage of burnt cane at 20.1% and Rarawai recorded the highest at 40.4%. Penang and Lautoka recorded 36.2% and 38.8 % respectively. The Council on its part has acknowledged the efforts of all harvesting gangs who had harvested 100% green cane by presenting certificates. As usual all Directors and Councilors were advised to activate anti-burning campaigns by promoting the

concept of official recognition for efforts made. Several gangs have claimed 100% green cane harvest and rewards in the form of certificates from the Council were presented. It is hoped that wider campaign jointly organized by the Council and the Corporation will bear fruit.

These campaigns will of course need to be backed up with substantive data of cost saving to the miller as well as the grower.

Table 8.1

MILL	GREEN CANE	PERCENTAGE	BURNT CANE	PERCENTAGE
<i>LAUTOKA</i>	452,367	61.0	288,863	39.0
<i>RARAWAI</i>	439,375	59.5	299,102	40.5
<i>LABASA</i>	615,609	80.0	153,538	20.0
<i>PENANG</i>	147,867	64.3	81,973	35.7
TOTAL	1,655,218	66.8	823,476	33.2

Table 8.2 BURNT CANE COMPARISON – LAST 3 SEASONS

Mill	2007				2006				2005			
	Burnt	Green	Total	%	Burnt	Green	Total	%	Burnt	Green	Total	%
Lautoka	288,863	452,367	741,230	39	619,942	413,295	1,033,237	60	394,673	496,106	890,779	44
Rarawai	299,102	439,375	738,477	40	600,124	431,815	1,031,939	61	291,642	470,062	761,704	38
Labasa	153,538	615,609	769,147	20	300,400	570,628	871,028	35	227,737	682,926	910,663	25
Penang	81,973	147,867	229,840	36	130,206	159,141	289,347	45	78,509	147,085	225,594	35
Total	823,476	1,655,218	2,478,694	33	1,650,672	1,574,879	3,225,551	52	992,561	1,796,179	2,788,740	36

9. CANE ACCESS ROADS

Most of the cane access roads had badly deteriorated due to heavy downpour in the beginning of the year. The government however did not have any allocation for cane access in the 2007 budget. Following the announcement by the Interim Government for a revision of 2007 National Budget, the Council wrote to the Minister for Sugar Reform for the allocation of \$3.0m for upgrading and

maintenance of cane access roads for 2007 season.

The Interim Government allocated a sum of \$1.5m for cane access and further agreed to direct the funds to the industry for administration. Sugar Commission of Fiji administered the funds and the allocations were made as follows:

Table 9.1 SUGAR CANE ACCESS ROADS

Mill Area	Lautoka	Nadi	Sigatoka	Ba	Tavua	Rakiraki	Labasa	Seaqaqa	Total
Allocation	162,000	171,000	81,000	381,000	199,500	111,000	295,500	99,000	\$1,500,000

Since the allocation was reduced, all the cane access roads could not be assisted. However, major cane access roads were repaired. A shortage of road maintenance equipments and delay in committees one-third contributions delayed the maintenance work for some roads. It appeared that some individual growers and gang members did not put

in their efforts to make arrangement for 1/3rd contribution which led to incomplete roads in their respective areas.

At the end of the season, a sum of \$80,000.00 was still outstanding and this was reallocated to other road committees in 2008.

10. FLOOD DAMAGE IN NORTHERN DIVISION

Flooding and landslides in January / February 2007 caused considerable damage to the affected areas in the northern division.

The Council carried out its own survey to establish the extent of damage sustained by the sugar cane growers in all the sectors. From the observation it was established that cane had lodged in most areas. Along the river banks sugar cane crop being flattened and a lot of silt covered many fields. Supplementary food crop grown by sugarcane farmers had also been severely affected.

Arrangement was also made to assist growers with soft loan through SCGF.

Following the survey, the Council wrote to the Government to provide relief and rehabilitation assistance to the affected cane growers.

The Council also gave cash donation to 11 schools. A total of 197 children were assisted, 108 from 7 Primary Schools and 89 from 4 Secondary

Schools. The total amount given was \$3,855.00 from the Council's Disaster Relief Fund Account.

During this flood 1200 bags of fertilizer got wet at the SPF bulk in Labasa. Council facilitated the sale of these fertilizers to Labasa and Seaqaqa growers at a discounted rate of \$8.44 per bag.



Flooded cane farm at Field 5, Natova Sector

11 GROWER EDUCATION MEETINGS

In 2007, 25 combined Grower Education Meetings were organized to educate growers on various issues affecting the industry. At these meetings the concerns of the growers were also heard. Other stakeholders invited were FSC, SCOF, SRIF, SCGF and the representatives from the Ministry of Sugar.



12 BRIXING

The Council made strong representation in the Mill Area Committee meetings during the slack season to re-introduce brixing. The Corporation had stopped brixing in 2006 season and was using

calendaring system. The Sugar Commission also agreed to our submission and recommended that brixing be re-introduced and as a result the Corporation agreed.

13 LEGAL SERVICES

Our Council legal department, which was established on 03rd February 2003, has continued to provide a range of legal services to the growers at affordable cost. It is the aim of the Management to operate the legal services on user pay concept to avoid any additional burden

on all growers. During the year some 1041 different types of services were provided to the cane growers throughout Fiji and the demand for this service is increasing as more growers benefit from the comparatively cheaper service.

Documents	RakiRaki	Tavua	Ba	Lautoka	Nadi	Sigatoka	Labasa	Seaqaqa	Total
Power of Attorney	81	92	174	87	63	39	106	38	680
Revocation Power of Attorney	3	7	12	5	6	2	9	1	45
Agreements	4	2	16	18	14	5	7	1	67
Transfer	0	7	21	24	9	0	6	0	67
Probates & Letter Administration	3	4	31	34	24	15	14	0	125
Deed Poll	0	1	0	1	0	0	0	0	2
Renunciation	1	0	5	5	2	1	0	0	14
Transfer of Certificate of Registration	0	2	3	6	2	0	0	0	13
Crop Lien	0	0	2	3	4	0	0	0	9
Transmission by death	0	1	1	1	0	0	1	2	6
Mortgage bill of sale	1	0	5	2	0	0	0	1	9
Instrument of Tenancy	0	1	3	0	0	0	0	0	4
Total	93	117	273	186	124	62	143	43	1041

14. CANE PRICE & MARKETING

The forecast price for the 2007 season crop announced by the Corporation was \$48.54. A special cane payment of \$4.00 per tonne was paid out to all growers by FSC in January 2006 at the request of the Council.

The 2006 cane price was acceptable to the growers as this was among the highest prices per tonne of cane. A lower crop produced sufficient sugar to be sold largely at protocol prices and the remaining at world market prices for the season.

<u>Key Production and Pricing Data</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
1. Tonnes Cane Crushed	2.5m	3.2m	2.8 m
2. Sugar Production	237,418	310,140	288,210
3. TCTS (Tonnes Cane/Tonnes Sugar Ratio)	10.4	10.4	9.7
4. Sugar Proceeds			\$221m

<u>Cane Payments</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Delivery Payment	26.26	29.12	26.57
2 nd Cane Payment	8.75	9.78	8.86
Special Payment	4.00	4.00	4.00
3 rd Cane Payment	6.59	4.96	7.29
4 th Cane Payment	12.44	8.94	9.93
Final Cane Payment	0.00	1.80	1.70
Total	<u>\$58.04</u>	<u>\$58.60</u>	<u>\$58.35</u>

13. 2007 SUGAR AND MOLASSES SALES

Table 13.1

SUGAR SHIPMENTS – 2007SEASON					
Vessel	Dest.	Load Port		Total (mt)	Date of Shipment
		Lautoka (mt)	Labasa (mt)		
Genco Reliance	UK	15,390	12,870	28,260	22/02/07
Bianco Venture	UK	32,700	-	32,700	10/05/07
Chun Ho	Japan	20,000		20,000	25/07/07
Chattan Island	UK	12,170	17,530	29,700	02/08/07
Captain Corelli	UK	14,101	13,069	27,170	09/09/07
Hawke Bay	UK	13,383	13,384	26,267	08/10/07
Ikan Juara	UK	9,157	-	9,157	29/10/07
Columbia River	UK	13,604	13,603	27,207	19/11/07
TOTAL		130,505	70,456	200,961	

SUGAR PRODUCTION AND SALES FOR 2007 CROP

Based on the FSC's forecast of 287,829 mt sugar, the distribution for the 2007 crop sugar was as follows:

	<u>2007</u>	<u>2006</u>
Estimated Production	287,829	310,140
Local & Regional Consumption	<u>48,000</u>	<u>45,000</u>
Available for export	239,829	265,140
Exports		
Protocol (UK/EU)	172,500	172,500
SPS (Portugal/EU)	39,000	30,000
USA	9,100	13,442
Japan	20,000	40,000
T O T A L Export Commitments	<u>240,600</u>	<u>255,942</u>
Uncommitted Sugar/ Shortfall	<u>(1,771)</u>	<u>9,198</u>

MOLASSES SHIPMENTS – 2007 SEASONS					
Vessel	Destination	Load Port		Total (mt)	Date Sailed
		Lautoka (mt)	Labasa (mt)		
Theano	Caribbean	23,563	7,937	*31,500	18/07/07
Stolt Kikyo	Korea	6,481	4,122	10,603	28/07/07
Dauntless	Caribbean	22,212	12,620	34,832	23/09/07
Golden Denise	South Korea	-	11,700	11,700	25/06/08
Winton Stock Feed	New Zealand	28,942.46	-	28,942.46	July 07- June 08
Kyowa Cattleya	Tahiti	45.88		45.88	
TOTAL		81,244.34	36379	117,623.34	

* Includes 11,635 mt 2006 season molasses

14. COUNCIL LEVY

The Council approved an Administrative Budget of \$1,158,538.00 for the 2007 financial year. However for the purpose of 'general levy', the budget was reduced to \$1,058,538.00 with the difference to be recovered from Council

savings in the previous year. The cane production for the year was 2,478,853 tonnes resulting in a chargeable levy of 0.42 cents per tonne of cane produced in the season.

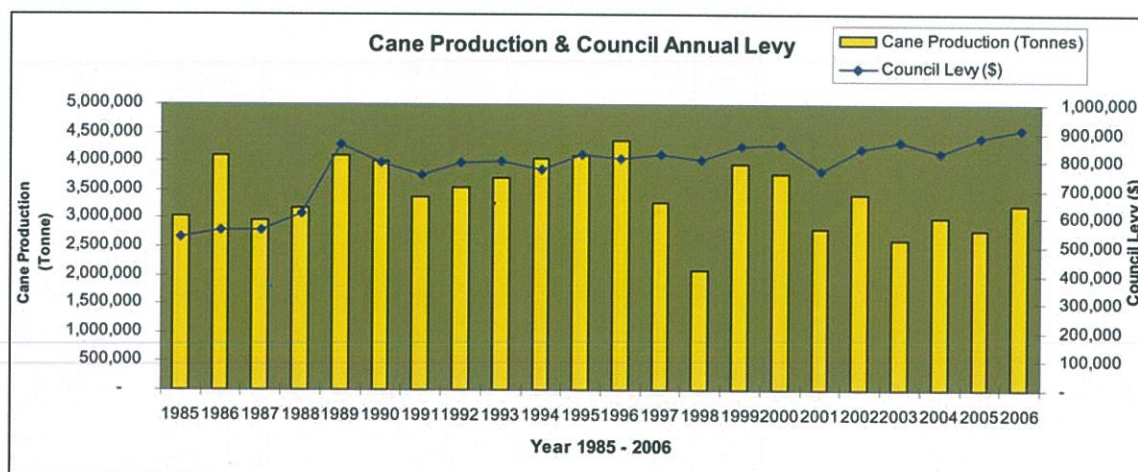


Table 14.1 Last 6 years Annual Levy and Cane Production

YEAR	2007	2006	2005	2004	2003	2002
Levy	\$1,058,538	\$910,510	\$883,384	\$831,225	\$867,072	\$845,922
Production	2,478,853	3,225,551	2,788,740	3,001,448	2,606,658	3,422,583
Levy/tonne	0.42	0.28	0.32	0.28	0.33	0.25

It must be noted that Council Levy per tonne is based on the size of crop each year and a decline in crop will result in a marginal increase in chargeable levy. The Council has continued to endeavor to provide maximum service to all

registered cane growers, despite maintaining the annual "general levy" almost the same over last 5 years, however there was an increase this year due to sudden drop in the entire crop.

15. OTHER GROWERS SERVICES

The Council continues to provide a wide range of services to the growers through its cane district and head offices. Services provided by the Council have

helped the growers to save thousands of dollars in services. Some of the key services provided by our offices during the year are shown below.

GROWERS SERVICE AS AT 31ST DECEMBER 2007

PARTICULARS	RAKIRAKI	TAVUA	BA	LAUTOKA	NADI	SIGATOKA	LABASA	SEAQAQA
INCOME TAX RETURN	91	24	74	98	223	77	444	185
VAT RETURN	13	3	3	6	7	10	87	35
POWER OF ATTORNEY	108	53	126	58	43	62	85	31
WILL	53	32	58	43	37	58	15	17
SUBSTITUTE AGREEMENT	313	341	433	53	272	76	273	15
TRANSFER OF REGISTRAR	35	6	52	46	8	36	6	-
LAND RENT OBJECTION	74	58	133	8	109	-	30	366
GANG DISPUTE	-	48	165	10	12	91	14	40
COR AMENDMENT	31	15	89	18	19	34	7	4
NEW REGISTRATION	37	20	60	20	16	5	69	5
VAT REFUND	-	-	-	6	-	-	-	23
CANE ACCESS ROAD	131	70	101	16	113	69	19	213
GANG MATTERS	98	32	-	13	362	-	114	23
CANE PAYMENT	93	295	89	11	336	47	16	1
REVOCATION OF POWER OF ATTORNEY	15	17	27	8	84	2	11	3
GANG MEETING	118	17	265	9	52	7	25	14
INCREASE HARVESTING RATES	43	69	274	40	91	18	108	97
LORRY WHEEL TAX	84	34	161	62	114	6	173	113
CROP LIEN	-	-	-	-	-	-	0	-
FARMING ASSISTANCE SCHEME	-	40	-	38	-	38	-	-
BOND	5	18	31	4	6	-	-	-
GANG RATIONALISATION	42	25	-	0	30	1	15	11
ADDITIONAL TICKET BOOK	1	15	1	1	-	6	42	19
BURNT CANE	39	18	34	10	67	-	3	4
INDIVIDUAL HARVESTING	104	68	2	0	-	-	0	-
SLPIT OF REGISTRATION	5	1	1	4	-	-	2	1
WEEDICIDE SALES	793	1041	491	763	1677	583	1991	419
CROP DAMAGE REPORT	-	14	18	6	27	-	2	-
DROUGHT REPORT	29	6	-	-	-	-	-	47
LEGAL SERVICES	1	8	86	207	27	-	16	9
MOGA	-	142	311	-	85	-	-	-
DRAINAGE	4	16	12	15	53	-	6	-
SUBSTITUTE DISPUTE	-	30	94	28	22	40	-	66
FSC CONSENT	-	-	-	-	-	-	2	-
GENERAL ENQUIRIES	996	696	2364	377	341	512	1359	1904
TOTAL	3356	3272	5555	2978	4233	1778	4934	3665

16. BOARD AND COUNCIL MEETING

The Annual General Meeting of the Council was held on 14th December 2007. The Board of Directors held seven meetings during the year and they deliberated on issues such as cane

planting and harvesting, milling operations and its difficulties, cane quality, sugar marketing, land lease issues, sugar industry restructure and other industry matters.

SUGAR CANE GROWERS COUNCIL BOARD - 2007



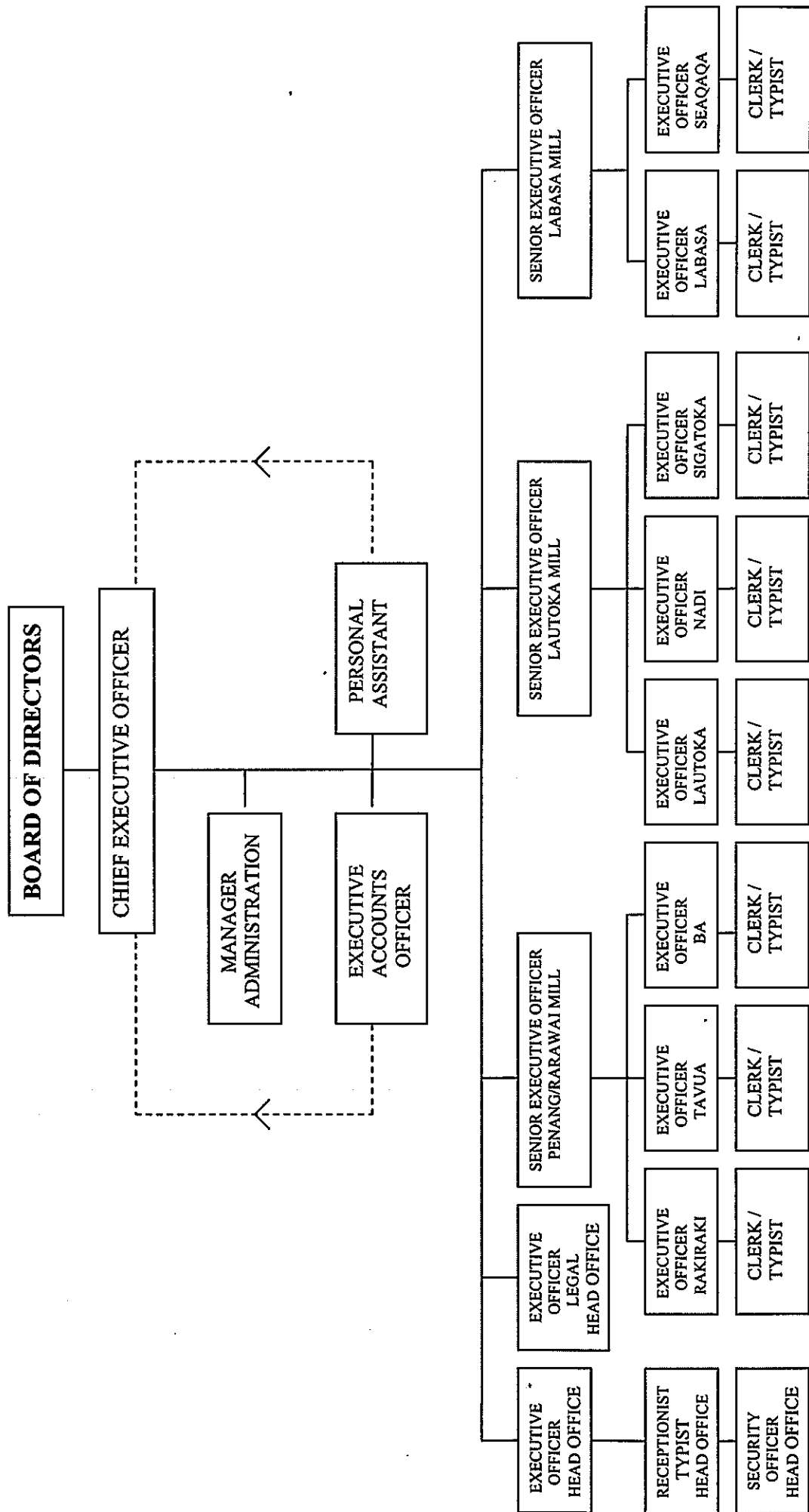
Standing (L - R) :

Cr Jwala Prasad (Director Labasa), Cr Parmod Kumar (Director Lautoka),
Cr Shiu Narain (Director Nadi), Cr Leakat Begg (Director Seaqaqa),
Cr Suresh C Raj - JP (Director Ba) Cr Umesh Prasad - JP (Director Tavua)

Sitting (L - R) :

Mr Sundresh K Chetty - JP (Acting CEO/Board Secretary), Cr Paras R Somaiya
(Vice Chairman), Cr Jain Kumar - JP (Chairman), Cr Kamlesh Kumar (Vice Chairman),
Cr Marika Silimaibau (Director Rakiraki)

SUGAR CANE GROWERS COUNCIL ORGANISATION CHART





Sugar Cane Growers Council
Individual Financial Statements
For The Year Ended
31 December 2007

Sugar Cane Growers Council

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Statement of operations	39 - 40

Sugar Cane Growers Council

Directors' report

The directors present their report together with the individual financial statements of the Council for the year ended 31 December 2007 and the auditor's report thereon.

Directors

The Directors in office at the date of this report are:

Jain Kumar - Chairman

Jwala Prasad

Kamlesh Kumar

Leakat Begg

Marika Silimaibau

Paras Somaiya

Pramod Kumar

Shiu Narayan

Shiu Ram

Suresh Raj

Umesh Prasad

State of affairs

In the opinion of the directors the accompanying balance sheet gives a true and fair view of the state of affairs of the Council as at 31 December 2007 and the accompanying income statement, statement of changes in funds employed and statement of cash flows give a true and fair view of the results and cash flows of Council for the year then ended.

Result

The deficit for the year amounted to \$259,043 (2006: deficit \$1,129,467).

Principal activity

The functions of the Council are outlined under Section 42 of the Sugar Industry Act of 1984, which includes generally all such things and undertaking all such steps as it may consider necessary for the protection and development of the sugar industry.

Events subsequent to balance date

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

Dated at Lautoka this 8th day of August 2008.

Signed in accordance with a resolution of the directors.

Director

Director



Report of the independent auditor to the members of Sugar Cane Growers Council

Scope

We have audited the individual financial statements of Sugar Cane Growers Council for the year ended 31 December 2007, consisting of the balance sheet, income statement, statement of changes in funds employed, statement of cash flows and accompanying notes set out on pages 22 to 37. The Council's directors are responsible for the preparation and presentation of the individual financial statements and the information they contain. We have conducted an independent audit of these individual financial statements in order to express an opinion on them to the members of the Council.

Our audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the individual financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the individual financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the individual financial statements are presented fairly in accordance with International Financial Reporting Standards and statutory requirements so as to present a view which is consistent with our understanding of the Council's financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion:

- (a) the financial statements are prepared so as to present fairly the state of affairs of the Council as at 31 December 2007 and the results and cash flows of the Council for the year then ended and in accordance with International Financial Reporting Standards;
- (b) the financial statements are in general agreement with the accounts and records;
- (c) the receipt, expenditure and investment of moneys, and the acquisition and disposal of assets by the Council during the year were in accordance with the Sugar Industry Act 1984;

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

8 August 2008

Lautoka, Fiji Islands

KPMG

KPMG

Chartered Accountants

Sugar Cane Growers Council
Income statement
For the year ended 31 December 2007

	Note	2007 \$	2006 \$
Levy received from Fiji Sugar Corporation		1,058,538	910,510
Dividend income	4	12,161	6,380
Other income	5	<u>152,305</u>	<u>141,743</u>
		1,223,004	1,058,633
Less expenses			
Depreciation	9	(54,424)	(64,729)
Personnel expenses	7	(326,263)	(404,141)
Other operating expenses	6	<u>(526,592)</u>	<u>(620,722)</u>
Surplus / (deficit) from operations		315,725	(30,959)
Net financing income	8	<u>51,461</u>	<u>26,948</u>
Operating surplus		367,186	(4,011)
Share of loss of equity accounted investees	10	<u>(626,229)</u>	<u>(1,125,456)</u>
Deficit for the year		<u><u>(259,043)</u></u>	<u><u>(1,129,467)</u></u>

The above income statement is to be read in conjunction with notes to and forming part of the individual financial statements set out on pages 26 to 37 .

Sugar Cane Growers Council
Statement of changes in funds employed
For the year ended 31 December 2007

	Note	2007 \$	2006 \$
Funds employed			
Balance as at 1 January		4,972,762	6,130,769
Deficit for the year		(259,043)	(1,129,467)
(((Equity share of movement in fair value reserve of associate	10	<u>-</u>	<u>(28,540)</u>
Balance as at 31 December		<u><u>4,713,719</u></u>	<u><u>4,972,762</u></u>

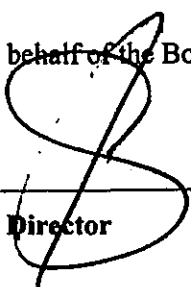
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The above statement of changes in funds employed is to be read in conjunction with notes to and forming part of the individual financial statements set out on pages 26 to 37 .

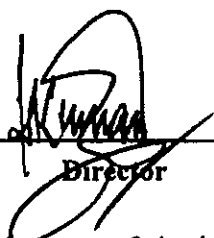
Sugar Cane Growers Council
Balance Sheet
As at 31 December 2007

	Note	2007 \$	2006 \$
Assets			
Non-current assets			
Property, plant and equipment	9	1,207,569	1,189,828
Investments	10	<u>1,759,913</u>	<u>2,388,530</u>
Total non-current assets		<u>2,967,483</u>	<u>3,578,358</u>
Current assets			
Cash and cash equivalents	13	1,037,354	895,653
Available for sale financial asset	11	280,932	281,487
Other receivables and prepayments	12	<u>593,268</u>	<u>448,878</u>
Total current assets		<u>1,911,554</u>	<u>1,626,018</u>
Total assets		<u>4,879,036</u>	<u>5,204,376</u>
Funds balance			
Funds employed		<u>4,713,719</u>	<u>4,972,762</u>
Total funds employed		<u>4,713,719</u>	<u>4,972,762</u>
Current liabilities			
Payables and other accruals	14	138,304	170,797
Employee benefits	15	<u>27,013</u>	<u>60,817</u>
Total current liabilities		<u>165,317</u>	<u>231,614</u>
Total liabilities		<u>165,317</u>	<u>231,614</u>
Total equity and liabilities		<u>4,879,036</u>	<u>5,204,376</u>

Signed on behalf of the Board



 Director



 Director

The above balance sheet is to be read in conjunction with notes to and forming part of the individual financial statements set out on pages 26 to 37.

Sugar Cane Growers Council
Statement of cash flows
For the year ended 31 December 2007

	Note	2007 \$	2006 \$
Operating activities			
Receipts from customers, members and related parties		1,046,006	1,066,547
Payment to suppliers and employees		<u>(895,155)</u>	<u>(1,037,348)</u>
Cash flows from operating activities		<u>150,851</u>	<u>29,199</u>
Investing activities			
Proceeds from disposal of property, plant and equipment		7,700	19,250
Interest received		53,066	27,746
Acquisition of property, plant and equipment		<u>(69,916)</u>	<u>(20,647)</u>
Cash flows used in investing activities		<u>(9,150)</u>	<u>26,349</u>
Net increase in cash and cash equivalents		141,701	55,548
Cash and cash equivalents at 1 January		<u>895,653</u>	<u>840,105</u>
Cash and cash equivalents at 31 December	13	<u>1,037,354</u>	<u>895,653</u>

The above statement of cash flows is to be read in conjunction with notes to and forming part of the individual financial statements set out on pages 26 to 37 .

Sugar Cane Growers Council
Notes to and forming part of the individual financial statements
For the year ended 31 December 2007

1. Reporting entity

Sugar Cane Growers Council is a body corporate domiciled in Fiji, established under the Sugar Industry Act of 1984.

The principal accounting policies adopted by Sugar Cane Growers Council are stated to assist in a general understanding of the individual financial statements. These policies have been consistently applied except where otherwise indicated.

2. Basis of preparation

(a) Statement of compliance

The individual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by International Accounting Standards Board and the requirements of Fiji law. These are the Council's first individual financial statements under IFRS. The individual financial statements were approved by the Board of Directors on 8th August 2008.

(b) Basis of measurement

The individual financial statements have been prepared on the historical cost basis. The accounting policies have been consistently applied by the Council and are consistent with those used in the previous year.

(c) Functional and presentation currency

The individual financial statements are presented in Fiji dollars, which is the Council's functional currency.

(d) Use of estimates and judgments

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the individual financial statements are described in the following notes:

Note 3(a)	Property, plant and equipment
Note 3(e)	Impairment
Note 3(f)	Other receivables
Note 3(g)	Provisions
Note 3(h)	Employee benefits

Sugar Cane Growers Council

Notes to and forming part of the individual financial statements

For the year ended 31 December 2007

3. Significant accounting policies

(a) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised in profit or loss as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

(ii) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised with the carrying amount of the component being written off. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statement as an expense as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Asset	Rate
Fixtures & fittings	25%
Plant & equipment	25%
Motor vehicles	25%
Land & buildings	1.25% - 5%
Leasehold land	over the period of lease

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Sugar Cane Growers Council
Notes to and forming part of the individual financial statements
For the year ended 31 December 2007

3. Significant accounting policies (continued)

(b) Equity accounted investees

Associates are those entities in which the Council has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). The individual financial statements include the Council's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Council. When the Council's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Council has an obligation or has made payments on behalf of the investee.

(c) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments which are classified as held for trading and available-for-sale are measured at fair value. Gains or losses on investments held for trading are recognised as income. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, bank overdraft and short term deposits for the purposes of the statement of cash flows.

(e) Impairment

The carrying amounts of the Council's assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Sugar Cane Growers Council

Notes to and forming part of the individual financial statements

For the year ended 31 December 2007

3. Significant accounting policies (continued)

(f) Other receivables

Other receivables are measured at their cost less impairment losses. The collectability of debts is assessed at year end and allowance is made for any specific doubtful debts. Bad debts are written off during the period in which they are identified.

(g) Provisions

A provision is recognised in the balance sheet when the Council has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(h) Employee benefits

(i) Defined contribution plan

Contributions are paid to the superannuation on behalf of employees to secure retirement benefits. Costs are included in the income statement.

(ii) Short term benefits

Outstanding annual leave liabilities due to employees at balance date are brought to account based on current legal and contractual entitlements.

(i) Trade and other payables

Trade and other payables are measured at their cost.

(j) Revenue

(i) Levy income

Levy income for any financial year is approved by the Council and certified by the Tribunal Accountant at the beginning of the crushing season in accordance with Section 51 and 53 of the Sugar Industry Act of 1984. This is receivable from Fiji Sugar Corporation.

(ii) Other income

Revenue from dividend and other operating activities are recognised in the income statement on an accrual basis.

(iii) Grant income

An unconditional grant related to asset acquisition is recognised in the income statement as other operating income when the grant becomes receivable. Any other grant is recognised in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the Council will comply with the conditions attaching to it. Grants that compensate the Council for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Council for the cost of an asset are recognised in the income statement as other operating income on a systematic basis over the useful life of the asset.

Sugar Cane Growers Council
Notes to and forming part of the individual financial statements
For the year ended 31 December 2007

3. Significant accounting policies (continued)

(k) Income tax

The Council is exempt from income tax under the provision of section 17 (4) of the Income Tax Act, Cap 201.

(l) Financing income and expenses

Financing income and expenses comprises bank charges and interest received on the term deposit held.

(m) Value Added Tax (VAT)

The individual financial statements have been prepared on a gross basis (VAT inclusive) since the organisation is not registered for VAT.

(n) Comparative information

Comparative information has been restated, where necessary, to align with the current year presentation.

	2007 \$	2006 \$
4. Dividend Income		
Dividend Income - Unit Trust of Fiji	<u>12,161</u>	<u>6,380</u>
5. Other operating income		
Gain on disposal of fixed assets	9,950	22,950
Gain on re-measurement to fair value of investments	-	1,194
I/A grant	29,245	-
Rental income	72,975	78,518
Sundry income - legal services	<u>40,135</u>	<u>39,081</u>
Total other operating income	<u>152,305</u>	<u>141,743</u>

Sugar Cane Growers Council

Notes to and forming part of the individual financial statements

For the year ended 31 December 2007

6. Other operating expenses

Included in other operating expenses are the following items:

	2007	2006
	\$	\$
Auditors remuneration	6,000	5,500
Directors' fees	77,085	78,584
Loss on re-measurement to fair value of investments	15,104	-
Legal fees	21,720	53,400

7. Personnel expenses

Fiji National Provident Fund contributions	26,808	38,700
Key management compensation	80,000	103,040
Training and Productivity Authority of Fiji	3,371	3,723
Wages and salaries	216,084	258,678
Total personnel expenses	326,263	404,141

The average number of employees during the year was:

29	29
----	----

8. Financing income and expenses

Interest income	53,066	27,746
Bank charges	(1,605)	(798)
Net financing income	51,461	26,948

Sugar Cane Growers Council
Notes to and forming part of the individual financial statements
For the year ended 31 December 2007

9. Property, plant and equipment

Cost	Fixtures & fittings \$	Plant & equipment \$	Motor vehicles \$	Land & buildings \$	Total \$
Balance at 1 January 2007	122,950	387,220	281,584	1,289,415	2,081,169
Acquisitions	760	19,305	50,500	1,600	72,165
Disposals	-	(5,280)	(41,000)	-	(46,280)
Balance at 31 December 2007	123,710	401,245	291,084	1,291,015	2,107,054
Depreciation					
Balance at 1 January 2007	121,427	357,416	260,218	152,280	891,341
Depreciation	720	12,545	24,817	16,342	
Disposals	-	(5,280)	(41,000)	-	(46,280)
Balance at 31 December 2007	122,147	364,681	244,035	168,622	899,485
Carrying amount					
At 1 January 2007	1,523	29,804	21,366	1,137,135	1,189,828
At 31 December 2007	1,563	36,564	47,049	1,122,393	1,207,569

Sugar Cane Growers Council

Notes to and forming part of the individual financial statements

For the year ended 31 December 2007

10. Investments	2007 \$	2006 \$
<u>Fiji Sugar Corporation Limited</u>		
119,401 ordinary shares at \$0.33 (2006:\$0.35)	39,402	41,790
<u>Reconciliation of investment in FSC</u>		
Balance at 1 January	41,790	40,596
(Loss) / gain on re-measurement to fair value of investment	(2,388)	1,194
Balance at 31 December	39,402	41,790
<u>Associate - South Pacific Fertilizers Limited</u>		
Balance brought forward	2,346,740	3,500,736
Equity share of reserve during the year	-	(28,540)
Equity share of loss during the year	(626,229)	(1,125,456)
Balance at the end of the year	1,720,511	2,346,740
The Council holds 40% (2006:40%) shares in South Pacific Fertilizers Limited (SPFL). The net assets of SPFL as per the unaudited financial statements for the year ended 31 March 2008 amounted to \$4,301,280 (2007 unaudited: \$5,866,849).		
Total investments	1,759,913	2,388,530

11. Available for sale financial asset

Unit Trust of Fiji

212,827 units (2006: 203,976 units) at \$1.32 (2006:\$1.38)

280,932 281,487

Reconciliation of investment in Unit Trust of Fiji:

Balance at 1 January	281,487	275,107
Additional units acquired during the year	12,161	6,380
Loss on re-measurement to fair value of investment	(12,716)	-
Balance at 31 December	280,932	281,487

Sugar Cane Growers Council

Notes to and forming part of the individual financial statements

For the year ended 31 December 2007

	2007 \$	2006 \$
12. Other receivables and prepayments		
Levy receivable from Fiji Sugar Corporation	554,548	392,574
Other receivables & prepayments	<u>38,720</u>	<u>56,304</u>
	<u>593,268</u>	<u>448,878</u>
13. Cash and cash equivalents		
Cash at bank	385,525	339,486
Cash on hand	1,829	6,167
Term deposit	<u>650,000</u>	<u>550,000</u>
Cash and cash equivalents in the cash flow statements	<u>1,037,354</u>	<u>895,653</u>
The average interest rate on term deposits in 2007 was 5.75% (2006: 8.25%). The deposits had an average maturity of 366 days (2006: 365 days).		
14. Payables and other accruals		
Payables	35,610	63,938
Other accruals	<u>102,694</u>	<u>106,859</u>
	<u>138,304</u>	<u>170,797</u>
15. Employee benefits		
Movement in the net liability recognised in the balance sheet		
Net liability at the beginning of the year	60,817	41,482
Expense recognised in the income statements	18,476	23,382
Leave utilised	<u>(52,280)</u>	<u>(4,047)</u>
Net liability at the end of the year	<u>27,013</u>	<u>60,817</u>

Sugar Cane Growers Council

Notes to and forming part of the individual financial statements

For the year ended 31 December 2007

16. Related parties

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

Transactions with these parties and outstanding balances at year end are disclosed under relevant notes to the individual financial statements.

Key management of the Council include the Chief Executive officer. Key management compensation disclosed in Note 7 includes all amounts paid or payable in return for services rendered.

In addition to Directors' Fees disclosed in Note 6 the Directors of the council are reimbursed for expenses incurred relating to Board meetings.

17. Explanation of transition to IFRS

As stated in Note 2(a), these are the Council's first individual financial statements prepared in accordance with IFRS.

The accounting policies set out in Note 3 have been applied in preparing the individual financial statements for the year ended 31 December 2007, the comparative information presented in these individual financial statements for the year ended 31 December 2006 and in the preparation of an opening IFRS balance sheet at 1 January 2006 (the Council's date of transition).

In preparing its opening IFRS balance sheet, the Council has adjusted amounts reported previously in individual financial statements prepared in accordance with previous accounting standards. An explanation of how this transition has affected the Council's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

The net effect of IFRS transition adjustments have been to Funds employed as per Note 17 (b).

(a) The adjustment required to restate comparative information in accordance with IFRS as accounting for investment in associates. This adjustment affected the surplus, funds employed and investment in associate.

Sugar Cane Growers Council
Notes to and forming part of the individual financial statements
For the year ended 31 December 2007

17. Explanation of transition to IFRS (continued)

<u>(b) Analysis of effect of transition on funds employed</u>	\$
Funds employed at 1 January 2006 - as reported	4,700,033
Adjustment on adoption of IFRS	<u>1,430,736</u>
Funds employed at 1 January 2006 - restated	6,130,769
Deficit for the year	(1,129,467)
Equity share of movement in fair value reserve of associate	<u>(28,540)</u>
Restated balance at 31 December 2006	<u><u>4,972,762</u></u>

(c) Reconciliation of surplus for 31 December 2006

	As previously reported	Effect of transition	Restated IFRS
	\$	\$	\$
Deficit for the year	<u>(4,011)</u>	<u>(1,125,456)</u>	<u>(1,129,467)</u>

(d) Explanation of adjustment to the cash flow statement for 2006

There are no differences between the cash flow statement prepared under the previous accounting standards and the cash flow statement presented under IFRS.

(e) Reconciliation of selected Balance sheet items as at 31 December 2006

	As previously reported	Effect of transition	Restated IFRS
	\$	\$	\$
Investment in associate	2,070,000	276,740	2,346,740
Funds employed	<u>4,696,022</u>	<u>276,740</u>	<u>4,972,762</u>

18. Capital commitments

Capital commitments as at 31 December 2007 amounted to \$Nil (2006: \$Nil).

Sugar Cane Growers Council

Notes to and forming part of the individual financial statements

For the year ended 31 December 2007

19. Contingent liabilities

The Council is a defendant in various third party claims and employee related cases. The Directors do not expect the outcome of these actions to have a material effect on the Council's financial position.

20. Principal activity

The functions of the Council are outlined under Section 42 of the Sugar Industry Act of 1984, which includes generally all such things and undertaking all such steps as it may consider necessary for the protection and development of the sugar industry.

21. Events subsequent to balance date

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

22. Registered office and principal place of business

The registered office and principal place of business is located at:

Sugar Cane Growers Building

75 Drasa Avenue

Lautoka.

Disclaimer

The additional financial information presented on pages 39 to 40 is in accordance with the books and records of Sugar Cane Growers Council which have been subjected to the auditing procedures applied in our statutory audit of the Council for the year ended 31 December 2007. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

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

8 August 2008
Lautoka, Fiji Islands

KPMG
KPMG
Chartered Accountants

Sugar Cane Growers Council
Statement of operations
For the year ended 31 December 2007

	2007	2006
	\$	\$
Income		
Dividend income	12,161	6,380
Gain on disposal of fixed assets	9,950	22,950
Interest income	53,066	27,746
Gain on re-measurement to fair value of investments	-	1,194
IVA grant	29,245	-
Levy received from Fiji Sugar Corporation	1,058,538	910,510
Rental income	72,975	78,518
Sundry income - legal services	40,135	39,081
	<hr/>	<hr/>
Total income	1,276,070	1,086,379
	<hr/>	<hr/>
Expenditure		
Advertising	1,626	750
Auditor's remuneration	6,000	5,500
Bank charges	1,605	798
City rates	555	555
Cleaning	14,099	13,445
Computer set & network	9,720	-
Contingencies	495	1,334
Councillors travel and subsistence	119,380	154,072
Depreciation	54,424	64,729
Directors' fees	77,085	78,584
Donations	250	700
Electricity	27,020	25,633
Fiji National Provident Fund contributions	26,808	38,700
General expenses	7,076	2,090
Growers accountant's fees	5,625	5,625
Hospitality	1,838	2,499
Industry seminar & workshop	6,055	52,581
Insurance	17,420	16,947
Loss on re-measurement to fair value of investments	15,104	-
	<hr/>	<hr/>
Expenses balance carried forward	392,185	464,541

The above detailed statement of operations is to be read in conjunction with the disclaimer report set out on page 38.

Sugar Cane Growers Council
Statement of operations
For the year ended 31 December 2007

	2007 \$	2006 \$
Expenses balance brought forward	392,185	464,541
Legal fees	21,720	53,400
Meeting costs - board	13,231	11,809
Meeting costs - council	9,926	5,946
Meeting costs - other	4,028	7,172
Motor vehicle expenses	43,295	36,426
Office expenses	7,993	9,740
Postage	3,104	5,566
Printing	4,720	-
Rent	29,732	30,695
Repairs and maintenance	7,961	16,302
Security expenses	8,608	9,612
Stationery	11,203	16,561
Subscriptions	3,394	5,379
Telephone	37,244	47,699
Training and Productivity Authority of Fiji	3,371	3,723
Vat refund written off	10,497	-
Wages and salaries	296,084	361,718
Water rates	588	1,101
Website design	-	3,000
Total expenditure	908,884	1,090,390
Operating surplus	367,186	(4,011)

The above detailed statement of operations is to be read in conjunction with the disclaimer report set out on page 38.