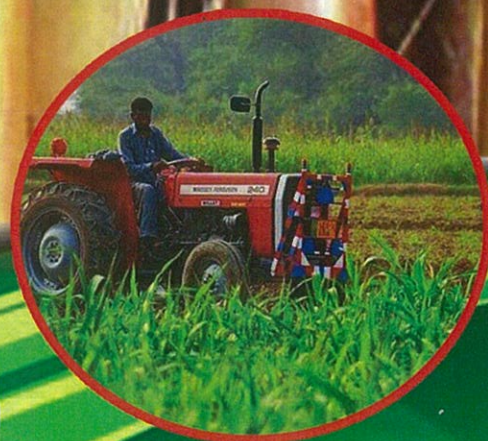


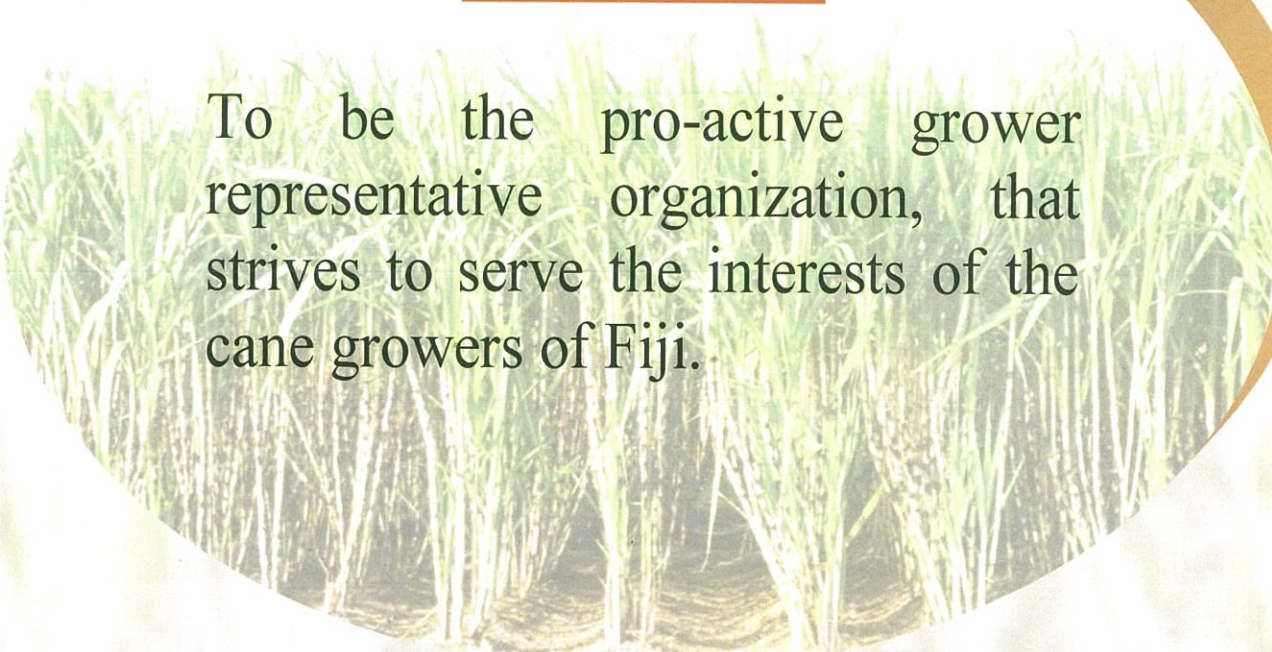


Sugar Cane Growers Council



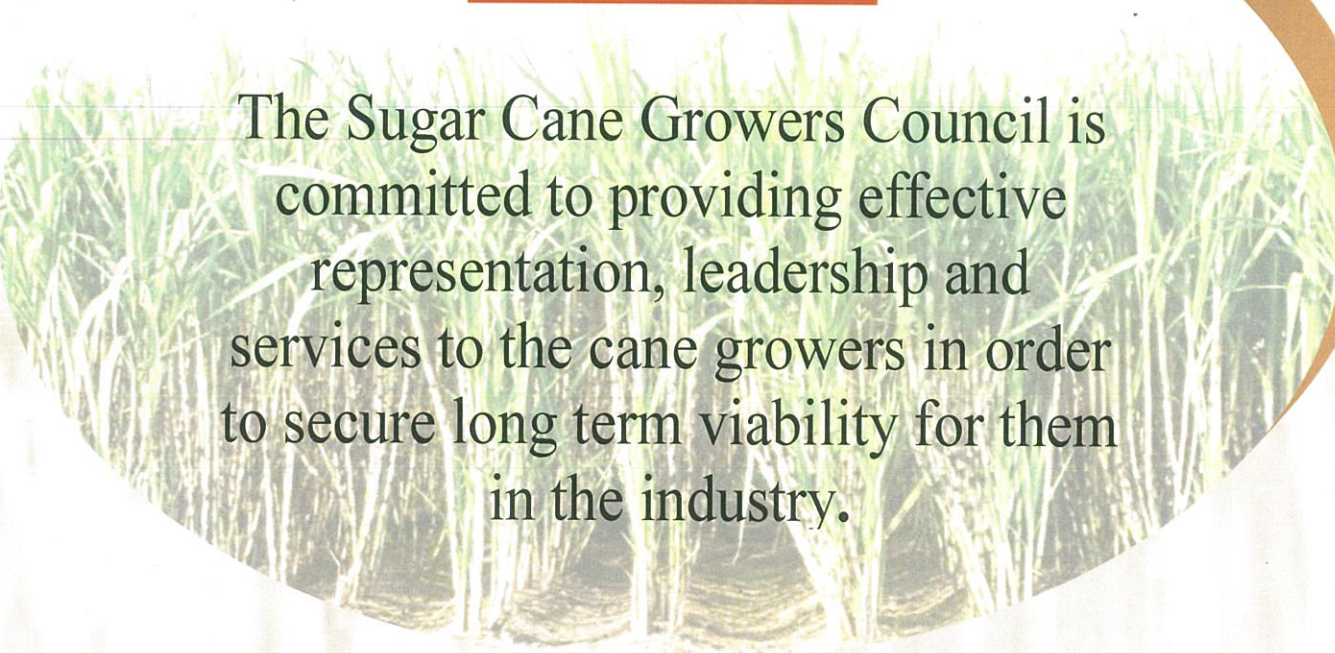
2015
Annual Report

OUR VISION



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

OUR MISSION



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

OUR 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 yield and adopting best practice methods which would encourage and facilitate this for the cane growers through better utilization of their existing resources.
- 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.

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.

The Council is an Administrative body for the grower which is currently managed by Mr. Sundresh Chetty the Chief Executive Officer and Mr. Nemani Veikoso as the General Manager Operations. Assisting them are the highly motivated and dedicated staff based at the Head office and the eight cane growing districts offices make services more efficient for the growers.

The Administrative Arm of the Council on a timely basis reports directly to the Ministry of Sugar.

FUNCTIONS OF THE COUNCIL

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

- Encourage and promote co-operation among registered growers and between registered growers and others engaged in the industry
- Remove and obtain redress of all legitimate grievances of individual registered growers, of registered growers generally or of registered growers of particular sector, district or mill area
- Provide registered growers with goods and services relating to the business of cane-growing and agricultural diversification
- Establish, hold and administer funds for the benefit of registered growers
- Encourage and promote research and education with a view to improving the efficiency and productivity of registered growers and to collect record and distribute information of value to registered growers
- Perform such other functions as many are assigned to the Council by this Act, Master Award or any other written law.
- The current target group exists of about 12,632 growers who are effectively growing cane at this moment.

ADMINISTRATIVE ARM

On the 21st of August, 2015, amendments were done to the Sugar Industry Act (CAP 206). Particular interest in these amendments is section 32 regarding the members of the SCGC. Previously, the Council consisted of one member elected from each of the 38 sectors and one member to be nominated by the Minister from each of the eight districts.

Under the new Bill, 2 elected representatives from each Cane Producers Association, together with the Western and Northern Commissioners; and a representative of the Ministry of Sugar is appointed. All persons shall be appointed by the Minister of Sugar. This replaced the old section whereby a member is elected from each of the 38 sectors.

COUNCIL ASSETS

- SCGC Building situated at 75 Drasa Avenue, Lautoka having its Head Office and Lautoka District Offices. Other tenants include SCGF Head Office & Lautoka District and FPSA. The 1st floor of the building also has a hall and a Board Room. Both are available for hire.
- Building in Seaqaqa district office
- 6 Motor vehicles, CEO, GMO, 3 SEO'S & Head Office

CHALLENGES

Reduction in cane production due to various reasons such as:-

- Urban drift of growers;
- Non-renewal and/or expiry of land lease;
- Family disputes on land ownership;
- Inefficient use of sugar cane land;
- Low returns/payments/profits from cane farming;
- High cost of farming operations;
- Difficulty in getting laborers to work in the farm;
- Aging farmers and/or no successor to the farm.
- Extension and take up of new technology by growers;
- Lack of Industry training programs;
- Increasing size of the farming unit to achieve economics of scale;

Mill Performance

- Poor mill efficiencies causing conjunction of cane being crushed consistently resulting in decrease of the quality in the cane.

Harvesting and Transportation

- Shortage of laborers to harvest cane efficiently;
- Demand for high cost of harvesting and transporting cane to mills causing growers to delay in delivering cane to mills; there is a need to find solutions to this problem as demand will keep on increasing every year. Introduction of mechanical harvesters and allow farmers to form corporative to enable them to purchases the machines
- Poor condition of cane access and infield roads to efficiently transport and deliver cane to mills;

High Cost of Farming Operation

- High costs of fertilizer and weedicides to cultivate and grow quality sugar cane although the Government already provides subsidy of \$14.09 per 50kg for fertilizer.
- High cost of land preparation by contractors, however growers thankful to the assistance provided by the government on Cane Planting Grant.
- Insufficient farming knowledge by new incoming farmers on cane cultivation and husbandry contribute to higher farm cost, ineffective and inefficient extension to monitor cane cultivation
- Lack or non-maintenance of drainage to avoid floods damaging cane farms thus destroying the cane;
- Unavailability of recommended cane varieties of seed cane that suits a particular soil farm thus resulting to poor cane yield/ quality being produced;
- Difficulty in hiring contractors with mechanical farming implements;
- Low cane yield due to old ratoon cane being preserved rather than being plough out for new crop to be planted for better cane yield.
- Climate change affecting the total function of the sugar industry;
- Cane Price – With the increase in cost as stated above, any drop in cane price of less than \$80.00 per tonne is a financial disadvantage to farmers.

GROWERS UPDATE

In 2014, the total number of registered cane growers in the country was 16,395 compared to the current figure of 16,441 registered cane growers. Of these 16,441 cane growers, 12,638 members are effectively growing cane although the majority of growers produce less than 200 tonnes per year as a result of owning small family cane farms.

Some 15 years ago, the Sugar Industry boasted over 21,000 cane growers cultivating and producing sugar cane thus making the Sugar Industry the backbone of Fiji's economy. Over the years, the number of cane growers has declined drastically due to the reasons stated above (*refer to Challenges*), but most recognizable is the fact that the younger generation do not see cane farming as a profitable career or opportunity to be dedicated in.

SUMMARY OF GROWERS AND GANGS			
DISTRICT	NO. OF SECTOR	NUMBER OF GROWERS	NUMBER OF GANGS
LAUTOKA	5	2,093	282
NADI	6	2,168	249
SIGATOKA	3	1,129	83
BA	7	3,655	367
TAVUA	3	1,645	151
RAKIRAKI	4	1,723	204
LABASA	7	3,383	411
SEAQAQA	3	645	165
TOTAL	38	16,441	1,912

Weather

The presence of *El Nino* in the Pacific Region had a major impact on the sugar industry. Drought was throughout the cane belt for 2 consecutive years 2014/2015. The Sugar Industry was pre-warned of *El Nino* by the National Meteorology Station and this helped in minimizing the full devastation to some extent.

The table below shows that rainfall received in each mill was far below the average.

Year	Lautoka	Rarawai	Labasa	Penang
2010	1308.0 mm	1359.0 mm	2082.0mm	1667.0mm
2011	2688.0mm	2780.0mm	2677.0mm	3232.0mm
2012	3268.0 mm	3689.0 mm	3111.0mm	2944.0mm
2013	2276.0mm	2300.0mm	2749.0mm	1911.0mm
2014	1388.0 mm	1161.0 mm	1923.0mm	1697.0mm
2015	1197.0mm	1100.0mm	1435.0mm	1025.0mm

Evidently rainfall received in 2015 was lower compared to previous year's records. Low pressures in the months of October to December of 2015 resulted in rain in later part of 2015.

Crop

The sugar cane production has slightly improved in recent years thanks to the much needed assistance provided by the Government through the Cane Planting Program, fertilizer subsidies, funds for maintenance of cane access roads etc.

The table below shows cane production for the past 6 years:-

Mill	Lautoka	Rarawai	Labasa	Penang	Total
2010	545,432	477,261	554,574	200,747	1,778,014
2011	643,521	673,442	570,471	208,307	2,095,741
2012	490,462	465,320	413,283	177,832	1,546,897
2013	368,754	510,727	546,150	184,773	1,610,404
2014	554,213	553,014	544,348	180,571	1,832,146
2015	521,065	490,792	662,600	170,130	1,844,587

Quality and Sugar Production

The sugar make for the past five (5) years is as follows:-

	2011	2012	2013	2014	2015
Cane Crushed	2,095,741	1,546,897	1,610,404	1,832,146	1,844,587
Sugar Make	166,665	154,814	179,870	226,859	221,933

Table 2.1

Mill	2015 Season (Forecast)	2015 Season (Actual Harvest)	Variance (+/-)
Lautoka	507,450	521,065	-13,615
Rarawai	592,390	490,792	101,598
Labasa	653,650	662,600	-8,950
Penang	181,180	170,130	11,050
All Mill	1,834,670	1,844,587	(-)9,917

Table 2.2

Mill	Total Crop	Crushed Harvested	Stand over
Lautoka	525,320	521,065	4,255
Rarawai	492,082	490,792	1,290
Labasa	670,200	662,600	7,600
Penang	172,013	170,130	1,883
All Mill	1,859,615	1,844,587	15,028

Canes Crushed 2008 □ 2015

The cane crushed for the past seven (7) years is as follows:-

<i>District/ Mill</i>	2008	2009	2010	2011	2012	2013	2014	2015
Lautoka	325,341	300,815	216,986	281,071	209,240	177,396	229,365	230,457
Nadi	316,920	318,535	229,730	262,212	213,783	169,638	247,193	206,644
Sigatoka	128,308	106,696	80,750	100,258	67,439	58,619	77,655	83,964
Lautoka Mill Total	770,569	726,045	527,466	643,521	490,462	405,652	554,213	521,065
Rarawai	521,136	472,339	378,061	484,243	325,115	360,996	434,458	384,458
Tavua	211,016	187,091	142,427	189,199	140,205	137,830	118,088	106,334
Rarawai Mill Total	732,152	659,430	520,488	673,442	465,320	498,826	552,546	490,792
Labasa	433,486	505,195	417,832	425,284	313,973	429,243	418,106	515,760
Seaqqa	170,830	174,402	136,742	145,187	99,310	116,911	126,242	146,840
Labasa Mill Total	604,316	679,597	554,574	570,471	413,283	546,154	544,348	662,600
Penang Mill Total	214,746	181,650	175,486	208,307	177,832	159,720	180,571	170,130

Season Length And Average Weekly Crush □ 2015

The 2015 season for length and average weekly crush is as follows:-

<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>
Lautoka	521,065	01/07/15	24/11/15	21	24,812
Rarawai	490,792	23/06/15	05/11/15	20	24,539
Labasa	662,600	17/06/15	24/10/15	20	33,130
Penang	170,130	30/06/15	19/10/15	17	10,007
Total	1,844,587				

Commencement And Termination Dates & Season Length 2015

The 2015 crushing season started at Labasa Mill on 17th June 2015 followed by Rarawai Mill which commenced on 23rd June, 2015. Penang Mill started crush on 30th June while Lautoka Mill commenced on the 01st of July 2015. The table below summarizes the actual dates and related data. Improvement in Mill performance was shown in 2015 season.

Burnt Cane

Labasa mill recorded the lowest percentage of burnt cane at 29.6% and Lautoka recorded the highest at 49.2%. Penang and Rarawai recorded 30.6% and 48.0% respectively.

Percentage of Green and Burnt Cane Crushed

The 2015 season for percentage of green and burnt cane is as follows:-

MILL	GREEN CANE	PERCENTAGE	BURNT CANE	PERCENTAGE
LAUTOKA	264,701	50.80	256,364	49.20
RARAWAI	255,212	52.00	235,580	48.00
LABASA	466,470	70.40	196,130	29.60
PENANG	118,070	69.40	52,060	30.60
TOTAL	1,104,453	60.75	740,134	39.25

Cane Quality and Sugar Production 2015

The 2015 season for cane quality and sugar production is as follows:-

	Cane	Sugar	Molasses	POCS	TCTS	Cane	Burnt
Mill	(Tonnes)	(Tonnes)	(Tonnes)			Purity %	Cane %
Lautoka	521,065	61,464	19933	12.44	8.17	83.30	49.20
Rarawai	490,792	62570	20767	12.64	8.16	82.90	48.00
Labasa	662,600	79797	27298	12.08	8.30	83.30	29.60
Penang	170,130	18103	7623	11.86	9.35	81.70	30.60
TOTAL	1,844,587	202,837	75621	12.26	8.32	82.80	39.25

Rarawai Mill recorded the highest sugar content (POCS) in cane followed by Lautoka Mill, Labasa Mill and Penang Mill had the lowest. Rarawai Mill had the best TCTS (tonnes cane to tonnes sugar) ratio for the 2015 season.

The POCS for Rarawai Mill was 12.64 followed by Lautoka at 12.44, Labasa at 12.08 and Penang being the lowest at 11.86. The average POCS for all the Mills was 12.26. The TCTS for Rarawai Mill was 8.16 followed by Lautoka at 8.21, Labasa at 8.30 and Penang being the highest at 9.35 tonnes. The annual average TCTS for all the 4 mills stood at 8.32 tonnes.

POCS & TCTS

The Pure Obtainable Cane Sugar (POCS) and Tone Cane Tone Sugar (TCTS) for the past 5 years are as follows:-

	2011 SEASON		2012 SEASON		2013 SEASON		2014 SEASON		2015 SEASON	
Mill	POCS	TCTS	POCS	TCTS	POCS	TCTS	POCS	TCTS	POCS	TCTS
Lautoka	10.19	14.8	10.87	12.2	9.58	13.6	12.91	7.7	12.44	8.21
Rarawai	9.93	15	9.9	15.5	9.84	11.4	12.10	8.3	12.64	8.16
Labasa	10.75	12.2	10.19	14.5	10.02	13.0	11.97	8.1	12.08	8.30
Penang	10.62	10.2	10.58	11.2	9.63	12.7	11.92	8.6	11.86	9.35
Average	10.37	13.4	10.36	13.5	9.79	12.6	12.22	8.8	12.26	8.32

Harvesting Gang Performance

The mill performance was above expectation and this gave harvesting gangs a challenge to consistently supply cane to the mill. The weekend cane supply had also been a concern as most of the gangs with indigenous cane cutters did not operate on Sundays and cane supply during the weekend became weak.

Manpower shortage continues to be a major setback for farmers. However, some farmers were thankfully relieved with the assistance provided by the Fiji Correctional Service in providing inmates to assist these farmers harvest their canes



Inmates harvesting cane

The engagement of Fiji Correction Services started in 2011 when problem of cane cutters started to increase. Labasa, Ba and Lautoka district started off with a group each to help in harvesting of sugar cane.

Cane Price

The forecast price for 2015 crop was \$62.70. The growers received 60% (\$37.62) of the forecast price in the delivery payment. The first special cane payment of \$2.80 was paid to the grower. The second cane payment of 20% (\$12.54) of the forecast was received five weeks after the termination of crushing in each mill. Second special payment of \$2.00 for the 2015 crop was made in January at the beginning of the new school term. A third and fourth cane payment of \$9.88 and \$13.52 respectively were later paid to the growers, with the final cane payment of \$0.72 for year 2015. The Growers as per actual calculation under the Master Award would have received \$74.28 per tonne of cane as their 70% share of proceeds for 2015 season. However, with 2 advance payment together with Government top-up, Growers have received \$76.66. This amount includes recovery of \$3.80 advanced to Growers and government top up of \$1.38 per tonne.

The cane payments for the past sixteen (16) years are listed below:-

CANE PAYMENT LISTING								
Season	Forecast(\$)	Delivery	Second(\$)	Special(\$)	Third(\$)	Fourth(\$)	Final(\$)	Total(\$)
1995	39.18	3.51	7.84		12.34	4.00	6.09	33.78
1996	39.21	23.54	8.42		7.02	4.94	0.89	44.81
1997	38.62	23.17	7.72		12.15	6.19	0.84	50.07
1998	48.61	28.89	9.72		27.82	12.28	2.80	81.51
1999	41.70	25.02	8.34		8.00	8.24	1.16	50.76
2000	36.72	22.02	7.34		7.33	6.03	1.28	44.00
2001	43.03	25.82	8.61	4.00	13.44	6.92	2.01	60.80
2002	43.99	26.39	8.80		9.59	6.72	2.30	53.80
2003	43.50	26.10	8.70	4.00	9.71	10.23	1.38	60.12
2004	47.10	28.26	9.42	4.00	2.76	9.68	1.75	55.87
2005	44.28	26.57	8.86	4.00	7.29	9.93	1.70	58.35
2006	48.54	29.12	9.78	4.00	4.96	8.94	1.80	58.60
2007	43.76	26.26	8.75	4.00	6.59	12.44	1.61	59.65
2008	46.26	27.76	9.25	4.00	4.02	12.44	2.23	59.70
2009	61.17	36.70	12.23		5.03	2.26	0.37	56.59
2010	45.67	27.40	9.13		3.5	6.54	2.59	49.16
2011	52.20	31.32	10.44		10.18	11.39	2.34	65.67
2012	53.55	32.13	10.70	4.00	11.50	20.40	3.09	81.82
2013	62.58	37.55	12.52	5.00	12.00	15.05	6.37	88.49
2014	62.70	37.62	12.54		15.13	15.00	0.71	81.00
2015	62.70	37.62	11.14	4.80	9.88	11.12	2.10	76.66

Other Growers Services

In 2014, it was recorded that a total of 69,463 farmers were served in all the districts on various issues that directly involved cane growers. This increased to 75,255 growers being served in 2015.

GROWERS SERVICES AS AT 31 ST DECEMBER, 2015									
	RAKIRAKI	TAVUA	BA	LAUTOKA	NADI	SIGATOKA	LABASA	SEAQAQA	TOTAL
Weedicide Sales	2,326	3,916	9,356	7,573	7,275	2,173	5,812	2,459	40,890
Income Tax Return	520	1463	1511	414	786	234	2,541	437	7,906
Cane Payment	121	234	20	2	112	73	1207	201	1,970
Substitute Agreement	208	271	449	41	33	12	628	185	1,827
Increase Harvesting Rates	91	87	335	2	0	42	850	69	1,476
MOGA	154	105	300	121	189	74	316	209	1,468
Knife Sale	124	255	309	255	365	16	55	81	1,460
Lorry Wheel Tax	96	54	242	122	148	22	217	55	956
Cane Access Road	82	20	13	6	5	0	426	125	677
Legal Services	82	80	45	32	93	55	94	22	503
Additional Ticket Book	0	8	0	0	0	0	418	60	486
Individual Harvesting	208	105	6	2	6	0	104	0	431
COR amendment	68	28	80	3	8	15	41	34	277
VAT returns	0	2	1	5	2	9	200	2	221
Gang Rationalization	32	8	25	0	0	0	139	4	208
New Registration	50	23	29	6	2	7	85	5	207
Gang Meeting	6	15	1	41	16	0	118	4	201
Gang Disputes	2	17	15	1	15	0	130	9	189
Gang Matters	48	57	7	2	1	0	49	0	164
Substitute Dispute	5	45	32	9	11	12	44	0	158
Transfer of Registration	14	19	65	17	29	7	4	1	156
Burnt Cane	51	20	9	7	3	0	10	10	110
Land rent object	38	20	8	3	4	18	6	1	98
COR replacement	18	12	9	10	14	0	17	1	81
Land Rent Appeal	0	28	8	0	1	0	28	4	69
Crop Damage	14	11	14	6	6	0	0	3	54
Drainage	1	16	2	5	0	3	22	4	53
Split Registration	7	5	0	2	5	2	15	8	44
Drought	0	1	4	0	0	0	0	3	8
Bond	3	0	2	0	2	0	0	0	7
General Services	3,634	1,091	796	1,016	1,478	2178	1,901	806	12,900
Total	8,003	8,016	13,693	9,703	10,609	4,952	15,477	4,802	75,255

Legal Services

The Sugar Cane Growers Council has engaged a legal practitioner to handle all legal services sought by the grower. Legal assistance provided by SCGC deals with Probate; Power of Attorney; Sales and Purchasing Agreement; Revocation of Power of Attorney; Letter of Administration; Wills... etc.

The legal fees charged for these work is minimal as the cost is charged to cover the administration and courier cost. The Legal Officer who is a registered lawyer admitted to the bar also serves SCGF.

LEGAL SERVICES REPORT FROM 2ND JANUARY 2015 TO 31ST DECEMBER 2015

DOCUMENTS	RAKIRAKI	TAVUA	BA	LAUTOKA	NADI	SIGATOKA	LABASA	SEAQAQA	TOTAL
Transfers		2	3	2	2	0	0	0	9
Probate/Letters of Administration	2	3	2	4	3	0	0	0	14
Transmission By Death	1	0	0	4	2	0	0	0	7
Power of Attorney	16	28	31	34	21	31	28	2	191
Revocation Power Attorney	6	7	10	6	0	0	7	1	37
Will	12	47	40	43	31	21	49	2	245
Total	34	82	81	83	52	52	84	5	503

Cane Access Road

In the 2015 season, the Government allocated FJD\$3million to finance the Cane Access Road sector to work on, develop and further improve cane access roads to assist growers transport their cane to mills effectively and efficiently. The stakeholders had suggested and later it was decided that allocation of monies for this purpose was to be assessed on production bases for each individual Mill.

It was also decided by the Sugar Ministry that an additional sum of FJD\$400,000.00 was to be allocated and set aside for special projects such as culverts and crossings. Such monetary assistance by Government continues to encourage growers to believe in the sugar industry.

GOVT GRANT ROAD REPAIRS FOR YEAR 2015			
MILLS	No. of Roads	Km	Cost
LAUTOKA	950	1,268	\$616,000
RARAWAI	658	1,194	\$706,000
LABASA	942	855	\$660,000
PENANG	391	419	\$220,000
TOTAL	2,941	3,735.17	\$2,202,000

Weedicide Sales

The Council facilitates the sale and distribution of weedicides from its 8 District offices located in the Sugar belt. The arrangement is that weedicides are made available to the growers on a cash-weedicide exchange basis or through an arrangement with the Corporation which issues commodity forms to growers who are in need of weedicide's on a credit basis. This would be part of the non-contractual advances provided by the Corporation through the SCGC to individual growers. Eligibility and credit rating to be qualified is done by FSC. Weedicides available for growers at any SCGC District office are Diuron 80, Valpar King, Amine 720 and Glyphosate 360.

Weedicide Distribution by District

The 2015 record for weedicide distribution by each district is listed below:-

DISTRICT	DIURON 800		GLYPHOSATE 360		AMINE 720		VALPAR KING		TOTAL
	Quantity (1kg)	Amount (\$)	Quantity (5L)	Amount (\$)	Quantity (5L)	Amount (\$)	Quantity (1kg)	Amount (\$)	(\$)
Rakiraki	6,007	129,151	1,685	65,715	2,954	124,068	353	11,826	330,759
Tavua	3,473	74,670	797	31,083	2,520	105,840	117	3,920	215,512
Ba	6,758	145,297	1,652	64,428	4,975	208,950	859	28,777	447,452
Lautoka	4,079	87,699	1,520	59,280	2,468	103,656	170	5,695	256,330
Nadi	3,734	80,281	1,602	62,478	2,145	90,090	124	4,154	237,003
Sigatoka	1,418	30,487	665	25,935	840	35,280	1	34	91,736
Labasa	5,970	128,355	2,601	101,439	3,463	145,446	315	10,553	385,793
Seaqaqa	1,465	31,498	500	19,500	952	39,984	272	9,112	100,094
TOTAL	32,904	707,436	11,022	429,858	20,317	853,314	2,211	74,069	2,064,667

Knife Set

In 2008, the Council introduced the sale of knife set which comprised of a cane knife, file and hand gloves. This initiative was a success as growers appreciated this assistance and demand for a knife set grew in the years thereafter. The sale record for 2015 was recorded at a total of 1,488 knives set being sold. The interest from growers encouraged the Council to negotiate with the suppliers to allow growers the opportunity to purchase the knife set at the suppliers cost which will save growers a few dollars.

Below is the table showing the sale record of knife set for 2015:-

DISTRICT	RAKIRAKI	TAVUA	BA	LAUTOKA	NADI	SIGATOKA	LABASA	SEAQAQA	TOTAL
Quantity	124	254	302	261	365	46	55	81	1,488
Amount (\$)	2,232	4,572	5,436	4,698	6,570	828	990	1,458	26,784

Growers Consultation

The Council held consultation meetings with the growers at the respective Mill areas throughout the year. As usual, the growers had issues to raise and needed the assistance of the Industry stakeholders to assist them become effective and efficient cane growers.

With the assistance of the Ministry of Sugar and the Industry stakeholders, the Council was able to address and attend to the issues raised by the respective growers.

Issues addressed were as follows:-

- The role of SCGC in advocating for the paramount interest of the growers in the sugar industry
- Cane Planting on fallow land
- Harvesting & Transportation of cane
- Record keeping & understanding of MOGA
- Roles of Gang Committee
- Functions and purpose of the Cane Producers Associations
- Requirements and guidance to seeking SCGF Assistance
- Developing Cane Access Roads
- Understanding the Cane Planting Grant
- Explaining the importance of cane farming to increase cane production
- Explaining and understanding the consequences of burnt cane, its penalties and how the penalties are deducted
- Understanding the negative effects and consequences of poor drainage systems

- Understanding and creating measures to minimize or solve frequent gang closure
- Upgrading the rail delivery points/ branch line
- Improving the condition of rail trucks and bridges
- Miscellaneous issues affecting the daily livelihood of the growers

Growers Rice Supply

The Fiji Sugar Corporation and Council continued to arrange in the delivery of rice through South Pacific Fertilizers Ltd who in turn provides efficient service at affordable costs. The Council has received overwhelming and positive response from growers regarding the cost and quality of rice supplied.

Fertilizer

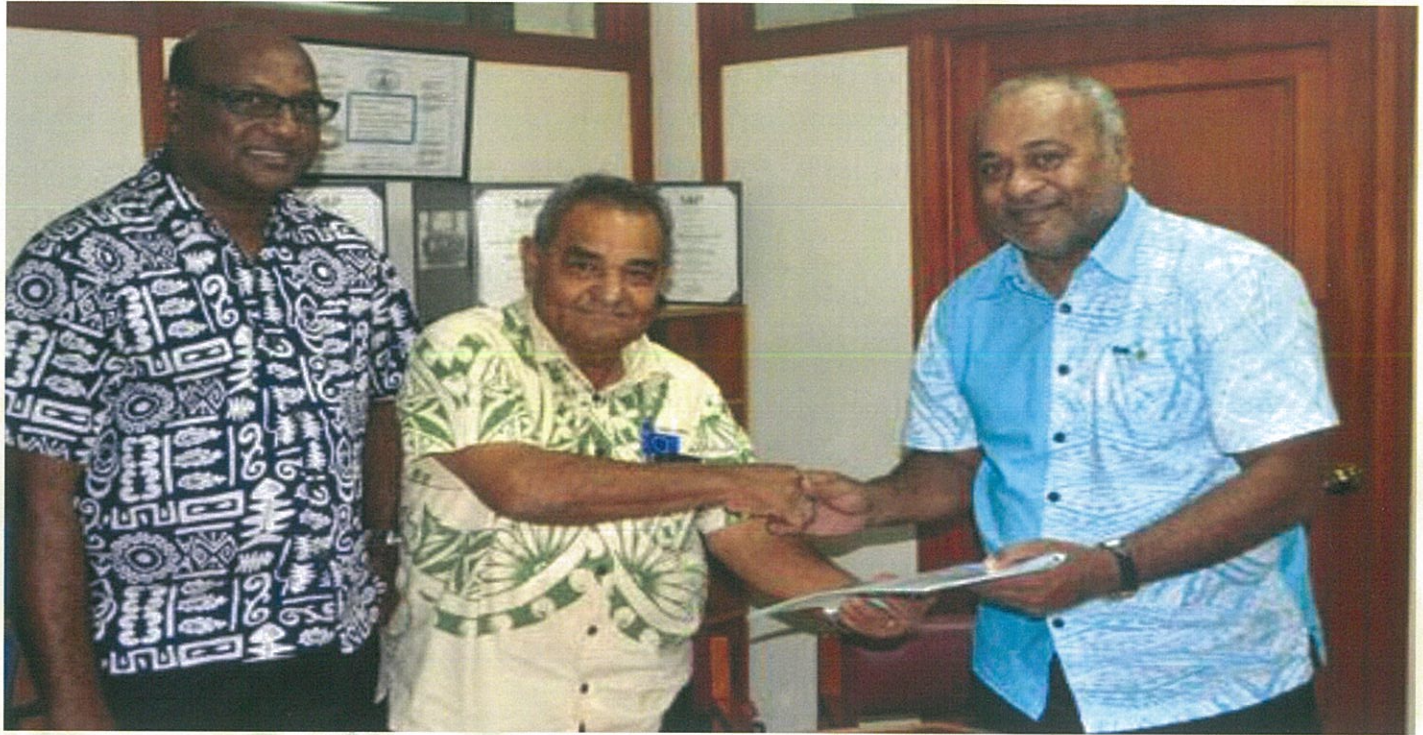
Growers challenges in paying for the high cost of fertilizer was eased by the Government's continuous assistance to subsidize the fertilizer price by paying \$14.09 per bag resulting in growers paying a reasonable cost of \$31.50 per 50kg bag. The growers appreciate the Governments assistance in this regard.

LTA Concessions

The Council has been closely associated with the Cane Lorry Associations and successfully negotiated for LTA to grant concessions on cane Lorries such as waiver of wheel tax, reduction in road user levy and minor infringements. The lorry association members are mostly growers and these costs are a financial challenge compared to their income for the six monthly operations during crushing.

Although the lorry owners/operators are not clearly recognized in the Master Award, however, the Sugar Industry recognizes their importance to the industry. In order to improve the Sugar Industry, all stakeholders work together to create a harmonies working relationship that benefits the Sugar Industry.

The Council appreciates the support of the Ministry and LTA in accommodating and understanding the lorry operator's plight in this regard.



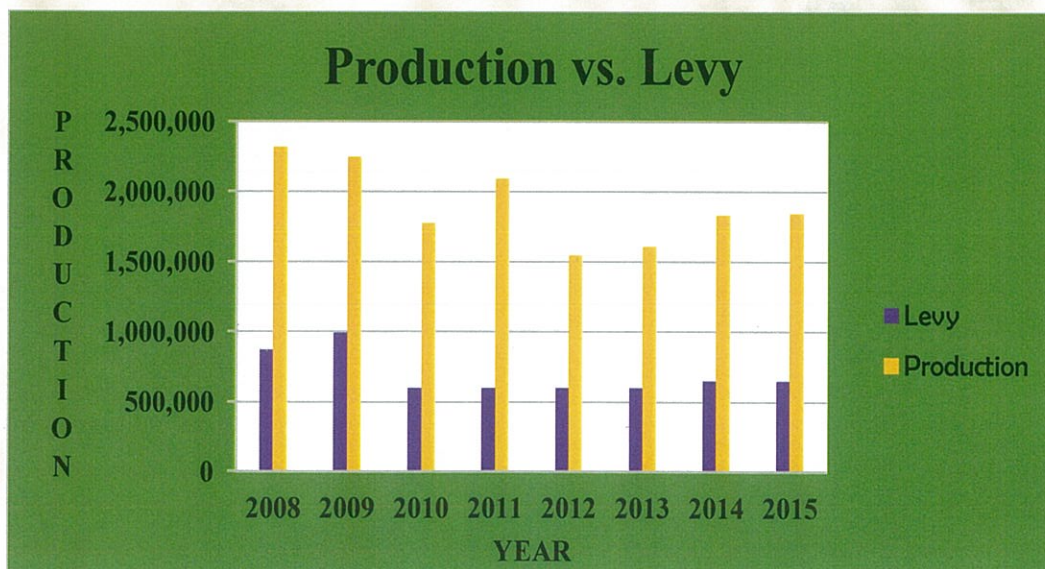
Official signing of MOU by SCGC CEO, Industrial Commissioner and LTA CEO.

Council Levy

Levy from the growers continues to assist the Council in its administrative budget of \$650,000.00 for the 2015 financial year. The cane production for the year was **1,844,587** tonnes resulting in a chargeable levy of 0.35 cents per tonne of cane produced in the season.

Table 16.1 Last 8 years Annual Levy and Cane Production

YEAR	2008	2009	2010	2011	2012	2013	2014	2015
Levy	\$870,879	\$992,691	\$600,000	\$600,000	\$600,000	\$600,000	\$650,000	\$650,000.00
Production	2,321,783	2,246,722	1,778,014	2,095,741	1,546,897	1,608,546	1,831,678	1,844,587
Levy/ tonne	\$0.38	\$0.44	\$0.34	\$0.29	\$0.39	\$0.37	\$0.35	\$0.35



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 strive to provide maximum service to all registered cane growers, despite maintaining the same annual “general levy” for the same over last six years.

FNPF Voluntary Membership Scheme

The issue regarding the FNPF Deduction Scheme has been a centre of discussion amongst growers in the past years. Growers have raised concerns about retiring from cane farming with no financial security simply because FNPF was not deducted during their farming career. Such concerns have prompted the Council in conjunction with the FSC and the FNPF to reach an agreement in 2008 for persons working as cane growers, cane cutters, farm laborers; and transport operators to be included in the FNPF Voluntary Membership Scheme.

Through the FNPF Voluntary Scheme, growers pay \$7.00 per month for their FNPF savings. It is important for the Council and the stakeholders to advise growers of this FNPF Voluntary Membership Scheme.

Master Award Review

The decision of the Prime Minister and Minister for Sugar to review the Master Award was made after several submissions were made to review the current Master Award. Dr Steven Ratuva, a consultant was appointed to oversee the review of the Master Award. He had series of meetings with the, Government, industry stakeholders and growers in all the districts. During the consultation several issues were discussed and submitted for consideration by the parties.

Subsequently, a Final Report of Dr. Ratuva’s research has now been received by the Tribunal’s Office which has been presented to the Ministry of Sugar, FSC & SCGC.

Cane Quality Incentive Payment (CQIP)

Discussions are in progress to have the Cane Quality Incentive Payment replace the current approved Cane Quality Payment. Cane Quality payment was one incentive made by the stakeholders and approved by the Government to improve and revive the ailing Industry. The Government had allocated a sum of \$4.4m for the NIR equipments for the four sugar mills while the balance of the funds came out of industry proceeds.

All growers' tonnages of cane will be paid on a base price formula similar to the current forecast cane price that is usually announced by the Sugar Industry Tribunal before the start of the crushing season. CQIP is an incentive for awarding growers who provide quality cane to the mills during the crushing season.

Land Issues

Land lease is a major issue amongst growers who own lease land because lease land has been noted as one of the challenges faced by growers causing some to leave their farm. To avoid growers forcefully leaving their farms with no alternative choice, the Council has been working closely with all the Sugar Industry Stakeholders and the iTaukei Land Trust Board to minimize and/or to solve the problem of growers leaving sugar cane farming.

International Sugar Organisation (ISO) Conference

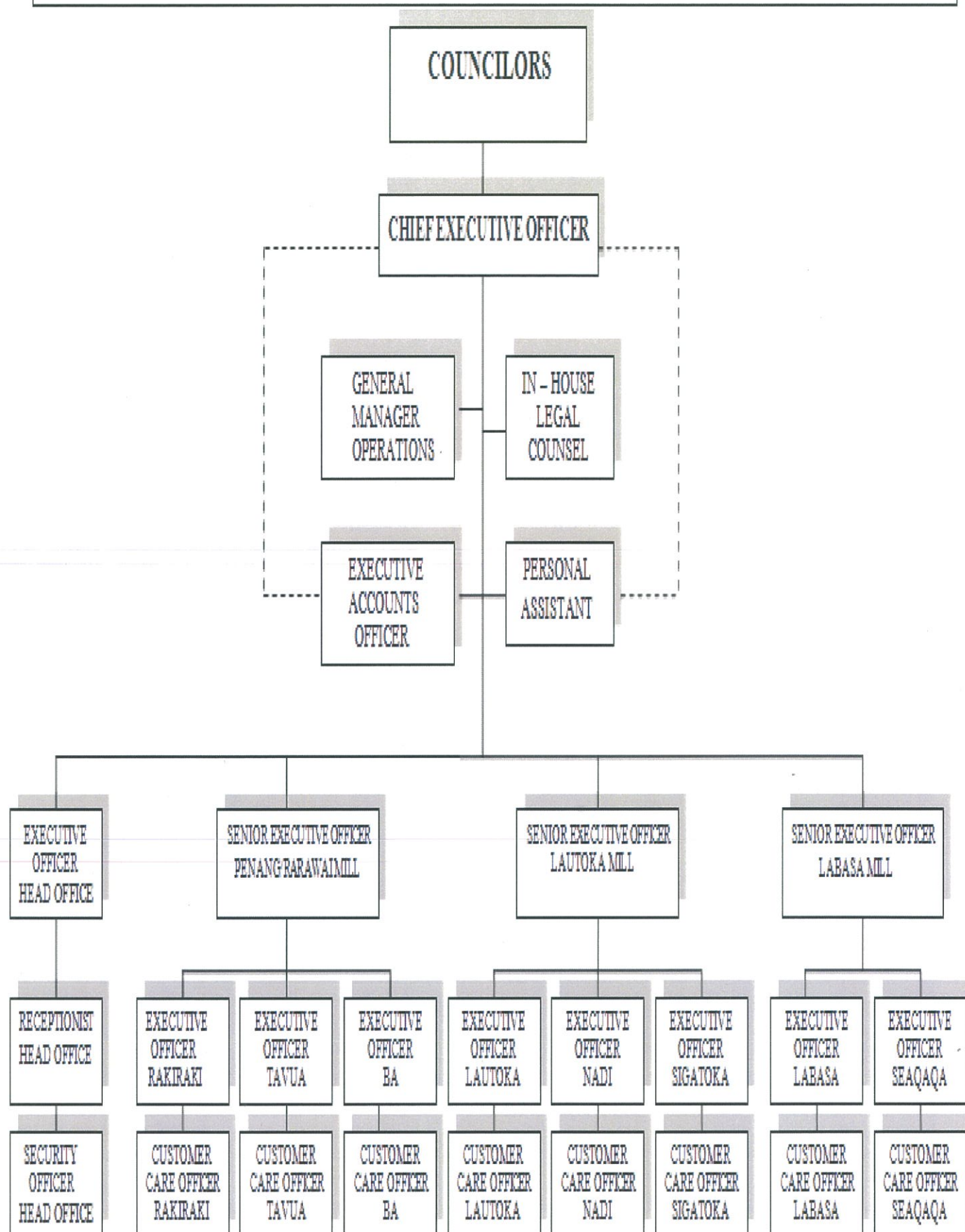
The 47th International Sugar Organization (ISO) Council Session was held in Guatemala from 22nd to 25th June, 2015. Fiji was also part of this Session in which a delegation led by the Permanent Secretary for Sugar and the Council's Chief Executive Officer was part of this delegation.

On the 17th to 20th November 2015, the 24th ISO International Seminar and the 48th International Sugar Organisation (ISO) Council Session was respectively held in London and attended by the same delegation led by the Honorable Prime Minister and Minister for Sugar.



Fiji Delegation in one of the International Sugar Organization Conference in London.

SUGAR CANE GROWERS COUNCIL ORGANISATION CHART



Sugar Cane Growers Council

Financial Statements

For the year ended

31 December 2015

Sugar Cane Growers Council

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Sugar Cane Growers Council

Officers' report

The Officers of Sugar Cane Growers Council ("the Council") herewith submit the statement of financial position of the Council as at 31 December 2015 and the related statement of comprehensive income and accumulated funds and statement of cash flows for the year ended on that date and report as follows:

Officers

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

Villiam Gucake - Director of Sugar
Sundresh Chetty - Chief Executive Officer
Nemani Veikoso - General Manager Operations

State of affairs

In the opinion of the Officers the accompanying statement of financial position gives a true and fair view of the state of affairs of the Council as at 31 December 2015 and the accompanying statement of comprehensive income and accumulated funds and statement of cash flows give a true and fair view of the results, changes in funds employed and cash flows of the Council for the year then ended.

Results

The total comprehensive income for the year amounted to \$75,635 (2014: \$134,614).

Principal activities

The principal activities of the Council are outlined under Section 42 of the Sugar Industry Act of 1984, and include undertaking all such steps as it may consider necessary for the protection and development of the sugar industry. There were no significant changes in the nature of the activities of the Council during the financial year.

Current assets

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

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

Receivables

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

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

Sugar Cane Growers Council Officers' report (continued)

Related party transactions

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

Going concern

The Council's financial statements have been prepared on a going concern basis, which assumes that the Council will continue in its present form. A Cabinet decision was made to dissolve the Council on 11 August 2009. During the period 11 August 2009 to 25 August 2015, there have been no further actions taken with regard to the dissolution of the Council or appointment of a successor body and the Council continued with its normal operations. On 25 August 2015 a Cabinet decision was made to re-instate the Council. Council members were appointed under the Sugar Industry (Amendment) Act 2015 on 16 February 2016.

Events subsequent to year end

On 16 February 2016, the following Council Members were appointed by the Government of Fiji:

Viliame Gucake (Chairman)

Manasa Tagicakibau

Jovesa Vocea

Jai Ram Khelawan

Nand Kishore

Pradip Kumar

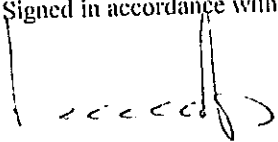
Prakash Chandra

Prabindra Singh

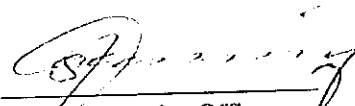
Apart from the above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Officers, to affect significantly the operations of the Council, the results of those operations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

Dated at Lautoka this 4th day of July 2016.

Signed in accordance with a resolution of the Officers.



Director of Sugar



Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUGAR CANE GROWERS COUNCIL

We have audited the accompanying financial statements of Sugar Cane Growers Council, which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income and accumulated funds, and cash flow statement for the year then ended, and notes 1 to 20, comprising a summary of significant accounting policies and other explanatory information.

Officers' and Management's Responsibility for the Financial Statements

Officers and Management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as the Officers and Management determine 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 judgement, 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 entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 financial statements give a true and fair view of the financial position of Sugar Cane Growers Council as at 31 December 2015 and of its financial performance, its changes in accumulated funds, and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

4 July 2016
Nadi, Fiji Islands


KPMG
Chartered Accountants

Sugar Cane Growers Council
Statement of comprehensive income and accumulated funds
For the year ended 31 December 2015

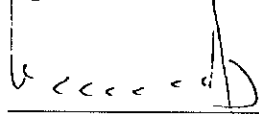
	Note	2015 \$	2014 \$
Sales		1,970,264	2,057,367
Cost of Sales		<u>(1,863,440)</u>	<u>(1,952,286)</u>
Gross profit		106,824	105,081
Other income	4	807,307	817,634
Administrative expenses	5	(529,757)	(473,555)
Other operating expenses	6	<u>(326,101)</u>	<u>(332,245)</u>
		58,273	116,915
Finance income	8	17,362	17,699
		<u>75,635</u>	<u>134,614</u>
Income tax expense	3(g)	<u>-</u>	<u>-</u>
Surplus for the year		75,635	134,614
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		75,635	134,614
Accumulated funds at the beginning of the year		<u>3,066,064</u>	<u>2,931,450</u>
Accumulated funds at the end of the year		<u><u>3,141,699</u></u>	<u><u>3,066,064</u></u>

The notes on pages 7 to 19 are an integral part of these financial statements.

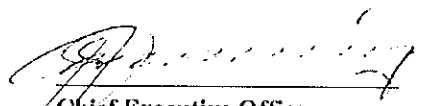
**Sugar Cane Growers Council
Statement of financial position
As at 31 December 2015**

	Note	2015 \$	2014 \$
Assets			
Non-current assets			
Property, plant and equipment	9	1,076,828	1,125,209
Investments	10	430,655	386,883
Total non-current assets		<u>1,507,483</u>	<u>1,512,092</u>
Current assets			
Cash and cash equivalents	11	731,617	879,187
Held to maturity investments	12	550,000	550,000
Inventories		64,521	66,225
Receivables	13	687,135	627,890
Prepayments		14,015	13,447
Total current assets		<u>2,047,288</u>	<u>2,136,749</u>
Total assets		<u><u>3,554,771</u></u>	<u><u>3,648,841</u></u>
Funds employed			
Funds employed		3,141,699	3,066,064
Total funds employed		<u>3,141,699</u>	<u>3,066,064</u>
Current liabilities			
Other payables and accruals	14	364,245	550,269
Employee benefits	15	48,827	32,508
Total current liabilities		<u>413,072</u>	<u>582,777</u>
Total liabilities		<u>413,072</u>	<u>582,777</u>
Total funds employed and liabilities		<u><u>3,554,771</u></u>	<u><u>3,648,841</u></u>

Signed on behalf of the Board.



Director of Sugar



Chief Executive Officer

The notes on pages 7 to 19 are an integral part of these financial statements.

Sugar Cane Growers Council
Statement of cash flows
For the year ended 31 December 2015

	Note	2015 \$	2014 \$
Operating activities			
Receipts of growers levy from Fiji Sugar Corporation		647,159	668,028
Receipts from weedicide sales		1,905,782	2,509,969
Other receipts		109,450	139,183
Payments to suppliers and employees		<u>(2,811,704)</u>	<u>(3,052,291)</u>
Cash flows (used in) / from operating activities		<u>(149,313)</u>	<u>264,889</u>
Investing activities			
Interest received	8	17,362	17,699
Acquisition of property, plant and equipment	9	<u>(15,619)</u>	<u>(18,421)</u>
Cash flows from / (used in) investing activities		<u>1,743</u>	<u>(722)</u>
Net (decrease) / increase in cash and cash equivalents		(147,570)	264,167
Cash and cash equivalents at 1 January		<u>879,187</u>	<u>615,020</u>
Cash and cash equivalents at 31 December	11	<u><u>731,617</u></u>	<u><u>879,187</u></u>
Material non-cash investing activity	17		

The notes on pages 7 to 19 are an integral part of these financial statements.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

1. Reporting entity

Sugar Cane Growers Council (the "Council") is a body corporate domiciled in Fiji, established under the Sugar Industry Act of 1984. The address of the Council's registered office is 75 Drasa Avenue, Lautoka.

The principal activities of the Council are outlined under Section 42 of the Sugar Industry Act of 1984, and include undertaking all such steps as it may consider necessary for the protection and development of the sugar industry. There were no significant changes in the nature of the activities of the Council during the financial year.

2. Basis of preparation

(a) Statement of compliance

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

The financial statements were authorised for issue by the Director of Sugar and Chief Executive Officer on 4th July 2016.

(b) Going concern basis of accounting

The Council's financial statements have been prepared on a going concern basis, which assumes that the Council will continue in its present form. A Cabinet decision was made to dissolve the Council on 11 August 2009. During the period 11 August 2009 to 25 August 2015, there have been no further actions taken with regard to the dissolution of the Council or appointment of a successor body and the Council continued with its normal operations. On 25 August 2015 a Cabinet decision was made to re-instate the Council. Council members were appointed under the Sugar Industry (Amendment) Act 2015 on 16 February 2016.

(c) Basis of measurement

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgments

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

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

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

2. Basis of preparation (continued)

(e) Use of estimates and judgments (continued)

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

- Note 3(c) and 13 - Recoverability of receivables

3. Significant accounting policies

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

(a) Financial instruments

(i) Non-derivative financial assets

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

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

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

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

Loans and receivables

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

Loans and receivables comprise cash and cash equivalents and receivables.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Cash and cash equivalents

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

Held to maturity financial assets

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

Held to maturity financial assets comprise term deposits.

Financial assets at fair value through profit and loss

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

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

(ii) Non-derivative financial liabilities

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

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

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

Other financial liabilities comprise other payables and accruals.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

3. Significant accounting policies (continued)

(b) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(iii) Depreciation

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

(ii) Subsequent costs

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

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

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

(c) Impairment

(i) Non-derivative financial assets

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

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

3. Significant accounting policies (continued)

(c) Impairment (continued)

(i) Non-derivative financial assets (continued)

Financial assets measured at amortised cost

The Council considers evidence of impairment for financial assets at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

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

(ii) Non-financial assets

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

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

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGU's) and then to reduce the carrying amounts of the other assets in the CGU (group of CGU's) on a *pro-rata* basis.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

3. Significant accounting policies (continued)

(d) Employee benefits

i) Defined contribution plan / superannuation

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits. Costs are included in profit or loss.

ii) Short-term benefits

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

A liability is recognised for the amount to be paid under short-term benefits if the Council has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

(e) Inventories

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

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

(f) Revenue

(i) Levy income

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

(ii) Sale of weedicide

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

(iii) Other income

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

(iv) Rental income

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

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

3. Significant accounting policies (continued)

(g) Income tax

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

(h) Financing income

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

(i) Value Added Tax (VAT)

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

	2015	2014
	\$	\$
4. Other income		
Dividend income - Unit Trust of Fiji	16,527	15,326
Growers levy	650,000	650,000
Gain on investments carried at fair value (Note 10)	27,245	13,125
Other income	47,692	47,573
Rental income	65,843	91,610
	<u>807,307</u>	<u>817,634</u>
5. Administrative expense		
Bank charges	1,381	1,123
Meeting costs	5,966	3,531
Personnel expenses (refer note 7)	522,410	468,901
	<u>529,757</u>	<u>473,555</u>
6. Other operating expenses		
Included in other operating expenses are the following items:		
Auditor's remuneration - audit services	7,000	7,000
- other services	3,912	1,612
Depreciation	64,000	69,236
Doubtful debts	12,163	-
Electricity	24,132	23,397
Insurance	23,583	24,017
Legal department expenses	-	2,638
Motor vehicle expenses	53,990	51,848
Rent	32,752	29,659
Telephone	29,091	28,732

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

	2015	2014
	\$	\$
7. Personnel expenses		
Annual and long-service leave	48,827	22,791
Fiji National Provident Fund (FNPF) contributions	40,474	26,761
Key management compensation - short term benefits	121,645	121,645
- FNPF	14,270	9,732
Fiji National University Levy	2,092	4,438
Wages and salaries	295,102	283,534
	<u>522,410</u>	<u>468,901</u>
 8. Finance income		
Interest income	<u>17,362</u>	<u>17,699</u>

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

9. Property, plant and equipment

	Fixtures and fittings \$	Plant and equipment \$	Motor vehicles \$	Land and buildings \$	Total \$
Cost					
Balance at 1 January 2014	121,365	430,668	269,325	1,339,669	2,161,027
Acquisitions during the year	-	15,871	-	2,550	18,421
Balance at 31 December 2014	121,365	446,539	269,325	1,342,219	2,179,448
Acquisitions during the year	430	8,009	-	7,180	15,619
Balance at 31 December 2015	121,795	454,548	269,325	1,349,399	2,195,067
Accumulated Depreciation					
Balance at 1 January 2014	121,365	410,904	174,265	278,469	985,003
Depreciation charge for the year	-	12,656	34,593	21,987	69,236
Balance at 31 December 2014	121,365	423,560	208,858	300,456	1,054,239
Depreciation charge for the year	11	11,850	30,675	21,464	64,000
Balance at 31 December 2015	121,376	435,410	239,533	321,920	1,118,239
Carrying amount					
At 31 December 2014	-	22,979	60,467	1,041,763	1,125,209
At 31 December 2015	419	19,138	29,792	1,027,479	1,076,828

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

10. Investments	2015 \$	2014 \$
<u>Non-current investment</u>		
Financial assets designated at fair value through the statement of comprehensive income.		
<u>Unit Trust of Fiji</u>		
This represents investment in Unit Trust of Fiji of 283,326 units (2014: 272,453 units) at \$1.52 (2014: \$1.42).	<u>430,655</u>	<u>386,883</u>
<u>Reconciliation of investment in Unit Trust of Fiji</u>		
Balance at 1 January	386,883	358,432
Additional units acquired during the year	16,527	15,326
Gain on remeasurement of investment to fair value	<u>27,245</u>	<u>13,125</u>
Balance at 31 December	<u>430,655</u>	<u>386,883</u>
Financial assets designated at cost are as follows:		
<u>Fiji Sugar Corporation</u>		
This represents investment in Fiji Sugar Corporation	38,931	38,931
Less provision for impairment	<u>(38,931)</u>	<u>(38,931)</u>
	<u>-</u>	<u>-</u>
11. Cash and cash equivalents		
Cash at bank	729,587	877,358
Cash on hand	2,030	1,829
Cash and cash equivalents in the cash flow statements	<u>731,617</u>	<u>879,187</u>
12. Held to maturity investments		
Term deposits	<u>550,000</u>	<u>550,000</u>
The average interest rate on term deposits in 2015 is 3.165% (2014: 3.05%). The deposits have an average maturity of 365 days (2014: 365 days).		
13. Receivables	2015 \$	2014 \$
Growers levy receivable from The Fiji Sugar Corporation Limited	710,399	707,558
Less: Provision for doubtful debts	<u>(504,827)</u>	<u>(492,664)</u>
	205,572	214,894
Receivable from The Fiji Sugar Corporation Limited for sale of weedicide	463,961	399,479
Receivable from South Pacific Fertilizers Limited	3,228	1,614
Receivable from Sugar Cane Growers Fund	375	375
Other receivables	<u>13,999</u>	<u>11,528</u>
	<u>687,135</u>	<u>627,890</u>

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

	2015	2014
	\$	\$
13. Receivables (continued)		
<u>Movement in provision for doubtful debts</u>		
Balance as at 1 January	492,664	492,664
Created during the year	12,163	-
Balance as at 31 December	<u>504,827</u>	<u>492,664</u>
14. Other payables and accruals		
Payables and accruals	48,569	49,793
South Pacific Fertilizers Limited	<u>315,676</u>	<u>500,476</u>
	<u>364,245</u>	<u>550,269</u>
15. Employee benefits - annual leave		
Balance at 1 January	32,508	40,372
Created during the year	48,827	22,791
Leave utilised during the year	<u>(32,508)</u>	<u>(30,655)</u>
Balance at 31 December	<u>48,827</u>	<u>32,508</u>

16. Related parties

(a) The Officers

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

Villiamc Gucake - Director of Sugar
Sundresh Chetty - Chief Executive Officer
Nemani Veikoso - General Manager Operations

(b) Identity of related parties

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

(c) Amounts receivable from / (payable to) related parties	2015	2014
	\$	\$
Payable to South Pacific Fertilizers Limited	(315,676)	(500,476)
Receivable from The Fiji Sugar Corporation Limited for sale of weedicide (Note 13)	463,961	399,479
Growers levy receivable from The Fiji Sugar Corporation Limited (Note 13)	710,399	707,558
Receivable from South Pacific Fertilizers Limited (Note 13)	3,228	1,614
Receivable from Sugar Cane Growers Fund (Note 13)	<u>375</u>	<u>375</u>

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

16. Related parties (continued)

(d) Transactions with related parties

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

	2015	2014
	\$	\$
Levy income – The Fiji Sugar Corporation Limited	650,000	650,000
Purchase of weedicide from South Pacific Fertilizers Limited	1,861,747	1,973,697
Sale of weedicide to The Fiji Sugar Corporation Limited	1,170,532	1,160,727
Rental income from Sugar Cane Growers Fund	<u>62,303</u>	<u>62,303</u>

(e) Transactions with key management personnel

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

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

17. Material non-cash investing activity	2015	2014
	\$	\$
Re-investment of dividend income earned in Unit Trust of Fiji	<u>16,527</u>	<u>15,326</u>

18. Capital commitments

Capital commitments as at 31 December 2015 amounted to \$nil (2014: \$nil).

19. Contingent liabilities

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

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2015

20. Events subsequent to year end

On 16 February 2016, the following Council Members were appointed by the Government of Fiji:

Viliane Gucake (Chairman)

Manasa Tagicakibau

Jovesa Vocea

Jai Ram Khelawan

Nand Kishore

Pradip Kumar

Prakash Chandra

Prabindra Singh

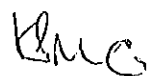
Apart from the above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Officers, to affect significantly the operations of the Council, the results of those operations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

Disclaimer

The additional financial information presented on pages 21 to 22 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 2015. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

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

4 July 2016
Nadi, Fiji Islands


KPMG
Chartered Accountants

Sugar Cane Growers Council
Statement of operations
For the year ended 31 December 2015

	2015	2014
	\$	\$
Sales	1,970,264	2,057,367
Cost of Sales	<u>(1,863,440)</u>	<u>(1,952,286)</u>
Gross Profit	106,824	105,081
 Growers levy	 650,000	 650,000
Dividend income	16,527	15,326
Gain on investments carried at fair value	27,245	13,125
Interest income	17,362	17,699
Rental income	65,843	91,610
Other income	<u>55,779</u>	<u>47,573</u>
 Total income	 <u>939,580</u>	 <u>940,414</u>
 Expenditure		
Advertising	598	2,291
Auditor's remuneration - audit services	7,000	7,000
- other services	3,912	1,612
Bank charges	1,381	1,123
City rates	842	758
Cleaning	9,510	9,733
Depreciation	64,000	69,236
Donations	400	400
Doubtful debts	12,163	-
Electricity	24,132	23,397
Fiji National Provident Fund contributions	54,744	36,493
Fiji National University Levy	2,092	4,438
General expenses	5,767	10,443
Growers accountant's fees	5,750	5,750
Hospitality	1,160	1,100
Insurance	23,583	24,017
Legal department expenses	-	2,638
Meeting costs - other	5,966	3,531
Motor vehicle expenses	<u>53,990</u>	<u>51,848</u>
 Expenses balance carried forward	 <u>276,990</u>	 <u>255,808</u>

The above statement of operations is to be read in conjunction with the disclaimer report set out on page 20.

Sugar Cane Growers Council
Statement of operations (continued)
For the year ended 31 December 2015

	2015	2014
	\$	\$
Expenses balance brought forward	276,990	255,808
Office expenses	6,954	6,416
Postage	2,466	2,282
Professional services	1,747	2,040
Rent	32,752	29,659
Repairs and maintenance	13,586	14,083
Security expenses	14,567	15,363
Staff training	791	4,634
Stationery and printing	11,840	11,146
Subscriptions	2,507	2,963
Telephone	29,091	28,732
Wages and salaries	465,574	427,970
Water rates	405	905
Website costs	4,675	3,799
Total expenditure	863,945	805,800
Operating surplus	75,635	134,614

The above statement of operations is to be read in conjunction with the disclaimer report set out on page 20.