

# SUGAR CANE GROWER COUNCIL ANNUAL REPORT 2017



*Serving the Cane Growers of Fiji*

### **OUR VISION**

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

### **OUR MISSION**

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

### **OUR OBJECTIVES**

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



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# Sugar Cane Growers Council

HEAD OFFICE: LEVEL 3 CANE GROWERS BUILDING,  
75 DRASA AVE, P.O. BOX 5162, LAUTOKA, FIJI.  
PHONE: (679) 6650466, FAX: (679) 6650624, email: [sundresh@fsc.com.fj](mailto:sundresh@fsc.com.fj)

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Monday, October 1, 2018  
The Honorable Prime Minister and Minister for Sugar  
Office of the Prime Minister  
Government Buildings  
**SUVA**

Dear Sir,

**RE: SCGC Annual Report 2017**

Pursuant to the requirements of Part IV Section 54 (3) of the Sugar Industry Act, 1984 together with Section 28 Sugar Industry (Amendment) Act 2015, we are pleased to submit the Annual Report on activities and audited financial accounts for the year ended 31<sup>st</sup> December, 2017.

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

**Chief Executive Officer**

*Serving The Cane Growers Of Fiji*  
ALL CORRESPONDENCE TO BE ADDRESSED TO CHIEF EXECUTIVE OFFICER



The Sugar Cane Growers Council remains the sole legal representative body of the cane growers in Fiji. All the registered cane growers in Fiji are automatically members of the SCGC. The Council has increased its scope of works and keeps its door open throughout the day to assist growers with their issues. The Council provides wide range of administrative services to the growers from its Head Office and 8 district offices in the cane belt areas with a strong team of 26 staff.

Besides effective representation, the SCGC provides various services to its members that include: Growers consultation meetings related to cane farming activities, costs reduction plans, yield and productivity increase, information and education, grievances and disputes, legal services, distribution of herbicides, preparation of Income Tax Returns and many others.

The Council is involved in advocacy at all levels as a key stakeholder maintaining, defending, profiling, promoting and assisting the interest of the cane growers' vis-à-vis the millers, government and all agencies/bodies at the national level. Concerted effort is continuously maintained to improve SCGC outputs for the growers and industry's well-being.

2017 has been another challenging year for the Sugar Cane Industry in Fiji. The cane growing areas experienced significant drier conditions than normal since April 2017. This had a major impact on the 2017 crop as well as the preparation of the 2018 crop. The

forecast for 2017 crop was 2.14m tonnes; however, the actual harvest was 1.63m tonnes which are 24% lower than the expected crop.

The Council acknowledges the tremendous support provided by the Government and comprehensive reform programs being implemented. The Financial support to the sugar sector in 2017 season was in excess of \$60m that included subsidies for herbicide, cane planting grant, cane access roads, farm machineries, cane harvesters, incoming new growers, cane transfer from Penang to Rarawai Mill. The Council also acknowledges the funds provided by the Government to defray the administrative expenses of the Council services. Growers are no longer required to pay a levy which is a huge relief for them.

The Sugar Cane Industry is at a crucial point of its development. While the Government's support has helped immensely to stabilize the industry, the focus must now be on commercial viability, industry competitiveness and sustainability.

The SCGC will continue to work closely with the growers, Government and all the other stakeholders to ensure the survival of the industry in the long term.



## CEO'S REPORT

SUGAR CANE GROWERS COUNCIL, SUNDRESH CHETTY (MR.)







## **1.0 ABOUT SUGAR CANE GROWERS COUNCIL**

### **1.1 WHO WE ARE**

Sugar Cane Growers Council (SCGC) was established under the Sugar Industry Act, 1984 with specific functions to protect and further the interests of registered cane growers. It is the peak Cane Growers' organization representing the interests of all registered Cane Growers in Fiji. The Council consists of 9 members appointed by the Minister for Sugar. The operations of the Council are managed by the Chief Executive Officer with the assistance of 25 staff members. The major functions of the Council are to take all steps as it may consider necessary for the protection and development of the industry and of the interests of registered growers. The SCGC remains the sole legal representative body of the Cane Growers in Fiji. All Cane Growers in Fiji are automatically members of the SCGC.

### **1.2 OUR GOALS**

The Council shall take all reasonable and necessary steps to protect and develop the Industry and the interests of the registered growers, and in particular: -

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

### **1.3 CURRENT STATUS OF THE INDUSTRY**

The Fiji sugar cane industry continues to be a significant contributor to our economy. It provides livelihoods to about 25% of our total population and is still a major foreign exchange earner.

In 2016, our sugar cane industry was badly devastated by a Tropical Cyclone (Winston) which was the first Category 5 Cyclone to ever hit Fiji and the second strongest ever to hit the Southern Hemisphere. It came with heavy downpour and strong gusting winds of up to 360 kilometers per hour on Saturday, 20<sup>th</sup> of February, 2016. Cane belt areas were severely affected in the island of Viti Levu where 3 of the country's 4 sugar mills are located. One of the three mills in the country (Penang Sugar Mill) was damaged beyond repair and as such could not be operated in the 2016 cane crushing season and has been completely shut down. In total over 7,000 cane growers out of the 13,000 active cane growers; that is (54%) had been directly affected by Tropical Cyclone Winston. The total damage to the sugar sector was estimated to be around FJ\$163.5 million. The entire population of the country who were affected by the Tropical Cyclone Winston was assisted with housing assistance to rebuild their homes by the Fijian Government.

The Fijian Government has been providing unwavering support to the Sugar Industry. Our Prime Minister who is also the Minister responsible for the Sugar Industry remain committed to the continued reforming of our industry so that it remains viable and sustainable for the sake of the 200,000 Fijians who derive their livelihoods from it.



## CANE GROWERS OF FIJI





## **2.0 ABOUT THE GROWERS**

There are about 16,000 registered cane growers, however close to 13,000 growers actively grow cane individually running very small family cane farms (an average of 4 hectares/ 10 acres), with the majority producing less than 300 tonnes per year. The vast majority of the farms have a size of 4 hectares, a legacy from the British colonial administration and the end of the indentured labour system in the 1920s. At this time, a plot of 4 hectares of land was leased to individual farmers, which was considered to be sufficient to support a farmer and his family working alongside him. Over the years, many farmers have moved to urbanized areas in the quest of easier and better jobs. Nowadays most of the farm areas are efficiently utilized by farmers of older generation (Fifties to Sixties). All the younger generations have left to attend the universities to obtain white collar jobs in the urban areas. Most growers plant and harvest manually, using hired labourers (casual). Mechanization is now being developed: besides the importance of such an investment, small-scale farming and difficult terrains are not appropriate to mechanization.

### **2.1 REGULATORY FRAMEWORK**

The structure and the organization of the Sugar Industry in Fiji are extremely regulated, based on the Sugar Industry Act 1984. The main objectives of the Sugar Industry Act are to establish the various bodies which govern the industry. The relationship between the millers and growers has been the subject of Master Award, which set out in great detail the rights and obligations of the two parties. In 2017, the total number of registered growers in the country was 16,583 with 1,875 number of cane harvesting gangs. Below is the summary of all district growers and gangs.

<b>District</b>	<b>Rakiraki</b>	<b>Tavua</b>	<b>Ba</b>	<b>Lautoka</b>	<b>Nadi</b>	<b>Sigatoka</b>	<b>Labasa</b>	<b>Seqaqa</b>	<b>TOTAL</b>
<b>No. of Growers</b>	<b>1,739</b>	<b>1,660</b>	<b>3,674</b>	<b>2,099</b>	<b>2,163</b>	<b>1,155</b>	<b>3,439</b>	<b>654</b>	<b>16,583</b>
<b>No. of Gangs</b>	<b>189</b>	<b>144</b>	<b>355</b>	<b>216</b>	<b>268</b>	<b>108</b>	<b>426</b>	<b>169</b>	<b>1,875</b>



## **2.2 SOME OF THE CHALLENGES FACED BY THE GROWERS:**



**OPERATIONS REVIEW**



### **3.0 OPERATIONS REVIEW 2017**

#### **3.1 ACTIVITIES REPORT 2017**

The Management of the Sugar Cane Growers Council takes pleasure in presenting its 2017 Report on Activities.

#### **3.2 WEATHER**

This year was no different than previous years as the entire cane belt experienced sporadic weather patterns. Intense rainfalls and flash flooding was experienced in the early months of 2017. Then followed the meteorological drought whereby many cane growing areas received very low rainfall for prolonged duration. The adverse weather conditions had a very devastating effect on the season's crop, affecting young plant crops and it also prevented growers from planting new crop for 2018 season. Despite doing substantial investments for crop development, the sugar industry is still battling to mitigate adverse weather challenges in the bid to meet the national cane production objective and to maintain sustainability. The following is the rainfall record from January 2017 to December 2017.

**TABLE 3.2 MONTHLY RAINFALL (mm) 2017**

<b>MONTH</b>	<b>LAUTOKA</b>	<b>RARAWAI</b>	<b>LABASA</b>	<b>PENANG</b>
	<b>RAINFALL (MM)</b>	<b>RAINFALL (MM)</b>	<b>RAINFALL (MM)</b>	<b>RAINFALL (MM)</b>
<b>January</b>	102.3	392.8	320.6	170.9
<b>February</b>	760.4	716.0	780.0	539.5
<b>March</b>	440.3	430.0	382.0	440
<b>April</b>	31.3	62.8	25.4	32.4
<b>May</b>	80.2	45.9	141.6	166.7
<b>June</b>	35.0	14.1	72.0	10.6
<b>July</b>	5.0	3.0	19.7	1.4
<b>August</b>	17.3	34.8	93.6	48.7
<b>September</b>	14.0	9.0	79.0	60.6
<b>October</b>	18.3	16.8	39.0	8.1
<b>November</b>	110.5	201.1	279.4	187.2
<b>December</b>	56.80	249.2	249.2	133.0
<b>Total</b>	1671.4	2170.2	2481.5	1799.1

*Source: SRIF*



### **3.3 2017 CROP**

The crop forecast for 2017 season was 2.14 million tonnes, as the industry anticipated to harvest significantly higher crop compared to 2016 season. However the below average rainfall in the cane growing region and the prolonged dry spell adversely affected the crop development. The actual crop harvested for the season was only 1.63 million tonnes which was 24% lower than the 2017 season initial crop forecast. While the overall crop was 0.244 million tonnes higher than 2016 season crop, the crop yield remained very low. The total area under cane was about 38,000 hectares and the average yield was 43 tonnes per hectare.

**TABLE 3.3: CROP FORECAST AGAINST ACTUALS**

<b>Mill</b>	<b>2017 Season (Forecast)</b>	<b>2017 Season (Actual)</b>
<b>Lautoka</b>	<b>527,000</b>	<b>429,551</b>
<b>Rarawai</b>	<b>600,000</b>	<b>407,860</b>
<b>Labasa</b>	<b>830,000</b>	<b>675,730</b>
<b>Penang</b>	<b>185,000</b>	<b>118,231</b>
<b>All Mill</b>	<b>2,142,000</b>	<b>1,631,372</b>

### **3.4 STANDOVER CROP**

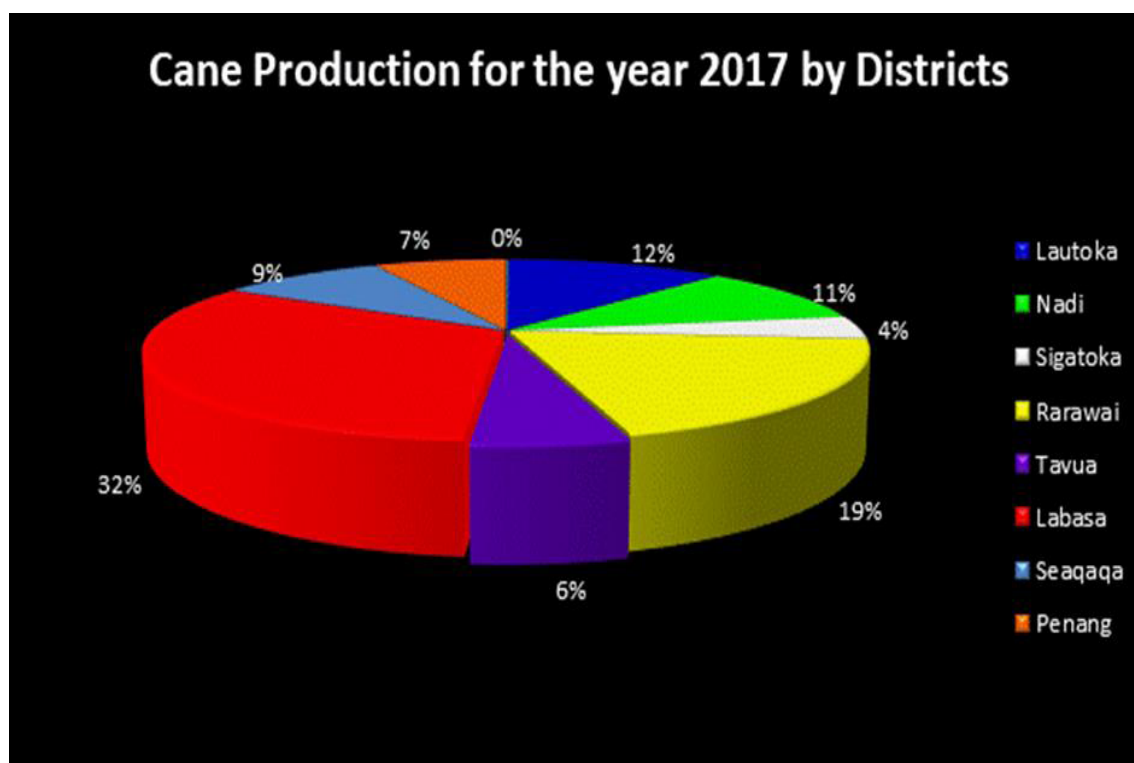
The total stand-over crop for 2017 season was approximately 13,740 tonnes. This was mainly due to non availability of cutters, absentee growers or lack of interest and heavy rainfall during the last two weeks of the season.

**Table 3.4 CRUSHED AND STAND-OVER CROP**

<b>Mill</b>	<b>Crushed</b>	<b>Stand Over</b>	<b>Total Crop</b>
<b>Lautoka</b>	<b>429,551</b>	<b>3,630</b>	<b>433,181</b>
<b>Rarawai</b>	<b>407,860</b>	<b>0</b>	<b>407,860</b>
<b>Labasa</b>	<b>675,730</b>	<b>10,000</b>	<b>685,730</b>
<b>Penang</b>	<b>118,231</b>	<b>140</b>	<b>118,371</b>
<b>All Mill</b>	<b>1,631,372</b>	<b>13,740</b>	<b>1,645,142</b>

**Table 3.5 CANE PRODUCTION 2010 - 2017**

District/ Mill	2010	2011	2012	2013	2014	2015	2016	2017
Lautoka	216,986	281,071	209,240	177,396	229,365	230,457	148,002	193,166
Nadi	229,730	262,212	213,783	169,638	247,193	206,644	156,936	169,436
Sigatoka	80,750	100,258	67,439	58,619	77,655	83,964	67,342	66,949
Lautoka Mill Total	527,466	643,521	490,462	405,652	554,213	521,065	372,280	429,551
Rarawai	378,061	484,243	325,115	360,996	434,458	384,458	217,292	312,979
Tavua	142,427	189,199	140,205	137,830	118,556	106,334	51,578	94,881
Rarawai Mill Total	520,488	673,442	465,320	498,826	553,014	490,792	268,870	407,860
Labasa	417,832	425,284	313,973	429,243	418,106	515,760	502,969	527,503
Seaqaqa	136,742	145,187	99,310	116,911	126,242	146,840	150,384	148,227
Labasa Mill Total	554,574	570,471	413,283	546,154	544,348	662,600	653,353	675,730
Penang Mill Total	175,486	208,307	177,832	159,720	180,571	170,130	91,806	118,231
GRAND TOTAL	1,778,014	2,095,741	1,546,897	1,610,353	1,832,146	1,844,587	1,386,309	1,631,372



## **4.0 CRUSHING SEASON- 2017**

### **COMMENCEMENT AND TERMINATION DATES & SEASON LENGTH - 2017**

The 2017 crushing season started well with all mills commencing crush in the first week of June. The overall performances of the mills were better compared to 2016 season; however, Viti Levu mills had experienced some mechanical problems while Labasa mill encountered major problems to the cane shredder and number two mill.

A significant improvement in cane supply was also noted with the introduction of 43 mechanical harvesters. Approximately 19% of the total crop was harvested using the machines. With growers still facing difficulty in engaging cutters, consistency in cane supply still remains a major concern to the industry. With permanent closure of Penang mill in 2016, growers have been asked to transfer the cane to Rarawai Mill with no addition cost to them. Penang mill area cane transfer cost is fully funded by the government. In 2017 season with the cooperation of lorry transport operators and the industry stakeholders, 100% of Penang mill area crop was successfully transferred to either Rarawai or Lautoka mill for crushing.

The mills terminated crush between October 2017 and November 2017 after finishing all harvestable crop. The season length for each mill was as follows:

- Lautoka mill - 19 weeks
- Rarawai Mill - 21 weeks
- Labasa Mill - 25 weeks

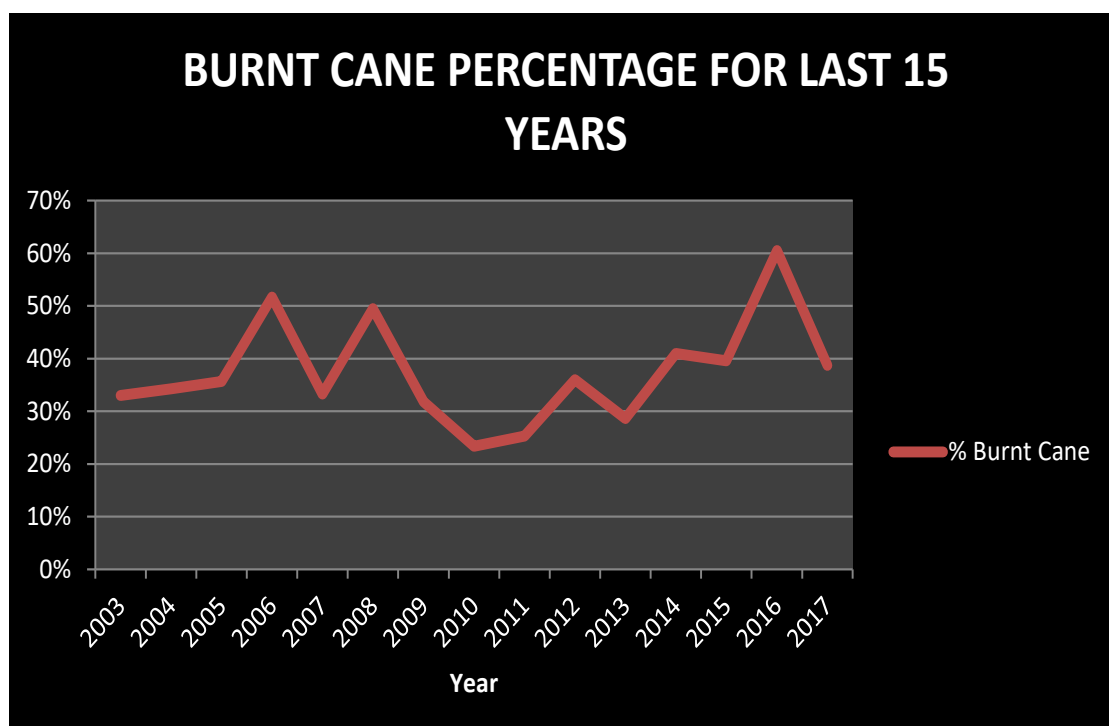


**Table 4.1 Sugar make and the TCTS**

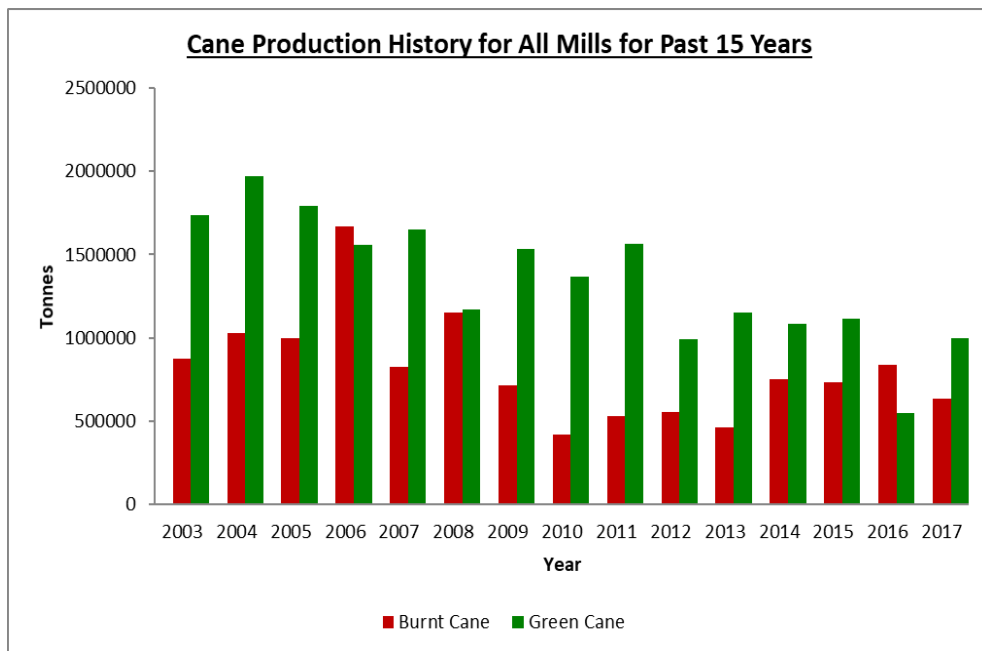
	Lautoka	Rarawai	Labasa	Average
<b>Sugar (Tonnes)</b>	<b>54,173</b>	<b>55,595</b>	<b>70,604</b>	<b>180,372</b>
<b>T.C.T.S</b>	<b>8.4</b>	<b>9.0</b>	<b>9.6</b>	<b>9.0</b>

## **4.2 BURNT CANE**

There has been a significant decrease in the level of cane burning. Labasa mill recorded the lowest percentage of burnt cane at 31% and Lautoka recorded the highest at 50%. Penang and Rarawai recorded 34% and 42% respectively. Council and Corporation staff carried out active anti-burning campaigns in the bid to produce better quality sugar for our markets. However, more awareness needs to be carried out highlighting the benefits and cost savings to the miller and the growers.



### 4.3 HISTORY OF CANE PRODUCTION



### 4.4 GROWER EDUCATION MEETINGS

In 2017, Council organized number of Grower Education and Consultation Meetings in various sectors to educate growers on cane development, government initiatives, harvesting and transportation together with various other issues affecting the industry. In most of the meetings, other industry stakeholders were also invited to address any concerns raised by the growers and to create awareness on new developments affecting the sugar industry.

### 4.5 CANE ACCESS ROADS

A total of 2,840 cane access roads with a total length of 3,320km across the entire cane belt was maintained in 2017 season to assist growers to transport their produce to the sugar mills. The project cost was approximately \$3m and funds were derived from the government 2016/2017 budget for repair and maintenance of cane access roads. The administration of the grant was done by the Ministry of Sugar Industry, while SCGC and FSC provided the support in the implementation and monitoring of the project.

#### 4.6 LEGAL SERVICES

Council's legal department was established in 2003 and it has continued to provide a range of legal services to the growers at affordable cost. The Management has continued to operate the legal services on user pay concept to avoid any additional burden on all growers. During the year some 1059 legal services were provided to the cane growers throughout the country and the demand for this service is increasing as more growers benefit from the comparatively cheaper services. Legal services listed below are provided with only disbursement cost.





#### 4.7 OTHER GROWERS SERVICES

Various types of Administrative services are being provided as illustrated in the table 4.7. These services are provided promptly and free of charge to all registered growers.

<b>Table 4.7 Activity Report January to December 2017</b>									
<b>Growers Services</b>	<b>RakiRaki</b>	<b>Tavua</b>	<b>Ba</b>	<b>Lautoka</b>	<b>Nadi</b>	<b>Sigatoka</b>	<b>Labasa</b>	<b>Seaqaqa</b>	<b>Total</b>
	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	
Gang Consultaions Meeting	365	362	433	315	591	279	438	184	2,967
Weedicide Sales/Distribution	2671	2540	6155	4811	5,149	942	6981	1212	30,461
IncomeTax Return	370	270	812	390	355	461	1130	875	4,663
Substitute/Cutters Agreement	67	149	129	181	40	98	377	205	1,246
MOGA	313	166	488	174	220	81	174	230	1,846
Increase Harvesting Rates	132	131	581	156	50	45	665	148	1,908
Lorry Wheel Tax Declaration	116	64	245	310	126	49	237	102	1,249
CPG Verification	273	566	826	747	786	404	0	469	4,071
Cane Payment	141	314	60	65	78	124	1863	501	3,146
Cane Access Road	219	113	502	190	224	139	509	141	2,037
Knife Sale/Distribution	17	54	53	155	380	70	100	2	831
Individual Harvesting	92	46	48	53	33	33	0	0	305
Additional Ticket Book	0	0	0	0	0	0	312	51	363
VAT returns	0	13	16	25	2	13	2	1	72
COR amendment Application	31	58	69	46	16	18	62	5	305
New Registration	17	8	13	13	0	30	98	15	194
Substitute Dispute	2	72	11	8	2	15	48	29	187
Burnt Cane Report	35	14	31	23	6	3	6	3	121
Legal Services	97	334	9	110	77	257	55	120	1,059
Transfer of Registration	12	29	20	12	6	44	3	1	127
Gang Disputes	28	23	4	27	32	2	36	7	159
COR replacement	17	9	15	29	18	15	43	6	152
Gang Matters	146	85	54	68	103	188	39	18	701
Land Rent Appeal/Renew	155	157	12	3	2	73	54	1	457
Land rent object/Tmsfer	0	54	6	2	171	47	16	2	298
Crop Damage Report	14	34	34	48	98	39	6	2	275
Gang Rationalization	19	21	54	15	0	0	100	0	209
Drainage Report	26	3	26	45	2	2	50	10	164
Split Registration	6	6	2	10	2	8	5	15	54
Harvesting Bond	2	6	1	1	12	0	0	0	22
General Services/Enquires	1706	934	2515	1004	719	407	2224	1160	10,669
<b>Total</b>	<b>7089</b>	<b>6635</b>	<b>13224</b>	<b>9036</b>	<b>9,300</b>	<b>3886</b>	<b>15633</b>	<b>5515</b>	<b>70,318</b>

## Corporate Governance

# Corporate Board & Team of Executives



## **Composition of the Council**

The Council consists of the following persons who were appointed by the Minister for Sugar:

(a) Two elected representatives from each of the following Cane Producers' Associations—

**(i) Rarawai and Penang Cane Producers' Association**

- Mr. Jai Ram Khelawan
- Mr Josefa Cagimaicama

**(ii) Labasa Cane Producers' Association**

- Mr. Pradip Kumar
- Mr. Prakash Chandra

**(iii) Lautoka Cane Producers' Association**

- Mr. Parbindra Singh
- Mr. Nand Kishore

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

Mr. Manasa Tagicakibau

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

Mr. Jovesa Vocea

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

Director Sugar Industry – Mr. Viliame Gucake



## **COUNCIL MEETING**

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



*Standing L-R: J Cagimaicama, P Chandra, S Chetty, S Chaudhary, N Kishore, P Singh  
Sitting L-R: J Khelawan, V Gucake, J Vocea, P Kumar*

## COUNCIL MEMBERS



**Cr. Viliame Gucake**  
Chairman  
Ministry of Sugar



**Cr. Jovesa Vocea**  
Commissioner  
Northern Division



**Cr. Manasa Tagicakibau**  
Commissioner  
Western Division



**Cr. Josefa Cagimaicama**  
Rarawai Penang Cane  
Producers Association



**Cr. Prakash Chandra**  
Labasa Cane Producers  
Association



**Cr. Parbindra Singh**  
Lautoka Cane Producers  
Association



**Cr. Pradip Kumar**  
Labasa Cane Producers  
Association



**Cr. Jai Ram Khelawan**  
Rarawai Penang Cane  
Producers Association



**Cr. Nand Kishore**  
Lautoka Cane Producers  
Association



**Sundresh Chetty**  
Chief Executive Officer



**Sunil Deo Chaudhary**  
Secretary

## HEAD OFFICE MANAGEMENT & STAFF



Sundresh Chetty  
Chief Executive Officer



Sunil Deo Chaudhary  
General Manager Operations



Sheetal S Chetty  
In-House Legal Counsel



Shivasna Sivan  
Executive Accounts Officer



Rejili Marama  
PA to the CEO



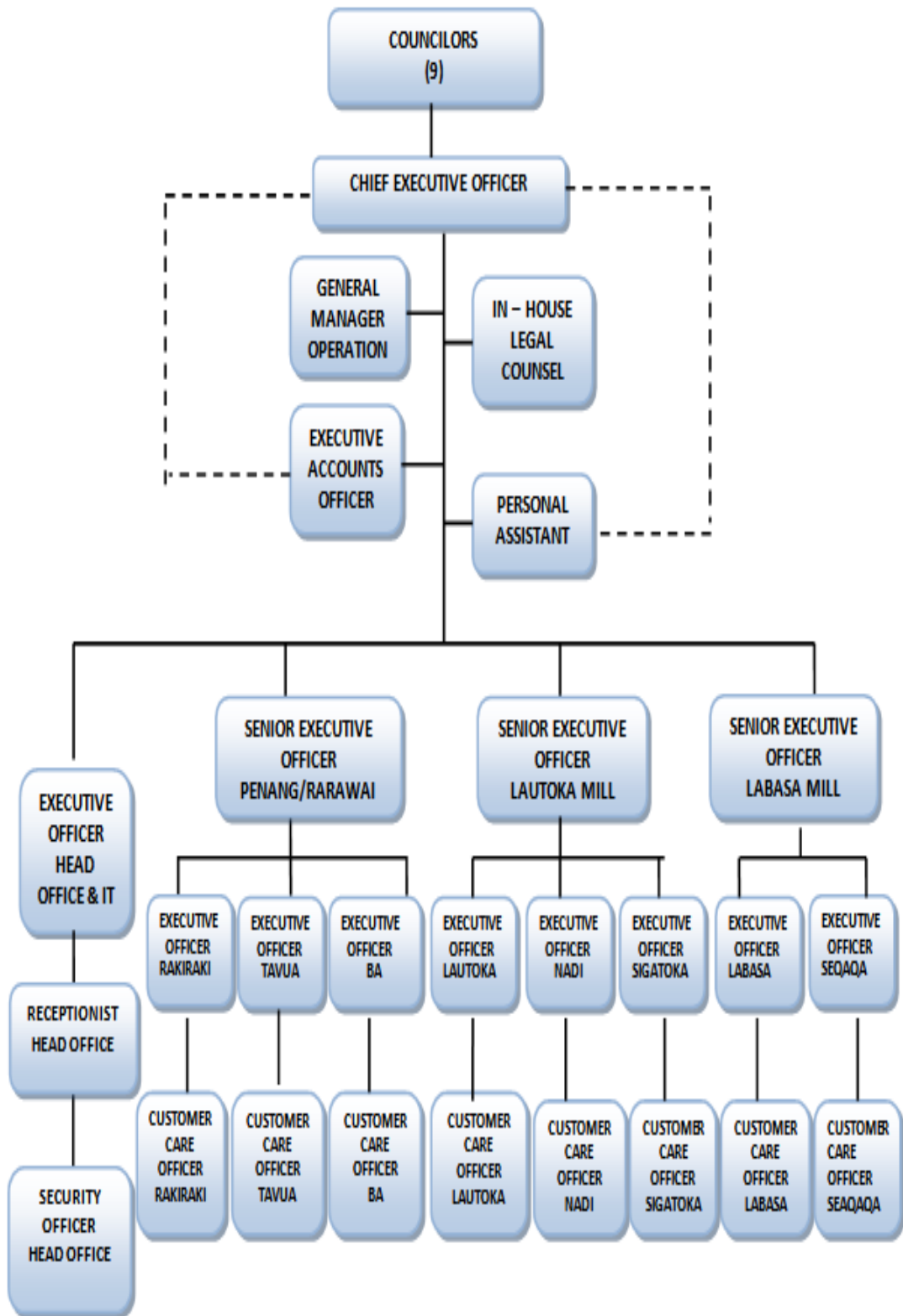
Kevin Achari  
Executive Officer - HO



Zillah Prakash  
Receptionist



# SUGAR CANE GROWERS COUNCIL ORGANISATION CHART



**Sugar Cane Growers Council**  
**Financial Statements**  
**For the year ended 31 December 2017**

# **Sugar Cane Growers Council**

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# **Sugar Cane Growers Council**

## **Members' report**

The Members of Sugar Cane Growers Council ("the Council") herewith submit the statement of financial position of the Council as at 31 December 2017 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:

### **Members**

The names of the Members 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:

- Viliame Gucake (Chairman)
- Manasa Tagicakibau
- Jovesa Vocea
- Jai Ram Khelawan
- Nand Kishore
- Pradip Kumar
- Prakash Chandra
- Prabindra Singh

### **State of affairs**

In the opinion of the Members the accompanying statement of financial position gives a true and fair view of the state of affairs of the Council as at 31 December 2017 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 \$504,784 (2016: total comprehensive loss \$34,061).

### **Principal activities**

The principal activities of the Council are outlined under Section 1.2 of the Sugar Industry Amendment Bill 2015 which is to ensure the protection and development of the sugar cane industry. There were no significant changes in the nature of the activities of the Council during the financial year.

### **Current assets**

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

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

**Sugar Cane Growers Council  
Members' report (continued)**

**Receivables**

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

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

**Related party transactions**

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

**Events subsequent to year end**

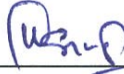
There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Members, to affect significantly the operations of the Council, the results of those operations or the state of affairs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

Dated at Lautoka this 3rd day of October 2018.

Signed in accordance with a resolution of the Members.



\_\_\_\_\_  
Council member



\_\_\_\_\_  
Council member



To the Honourable Josaia Voreqe Bainimarama  
Minister for Sugar Industry  
PO Box 2100  
Government Buildings  
Suva

## Independent Auditors' Report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Sugar Cane Growers Council ("the Council"), which comprise the statement of financial position as at 31 December 2017, the statements of comprehensive income and accumulated funds and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 20.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Council as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

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





## Independent Auditors' Report (continued)

### Report on the Audit of the Financial Statements (continued)

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**3 October, 2018**  
**Nadi, Fiji**

**KPMG**  
**Chartered Accountants**

**Sugar Cane Growers Council**  
**Statement of comprehensive income and accumulated funds**  
**For the year ended 31 December 2017**

	Note	2017 \$	2016 \$
Sale of weedicide		2,086,823	1,948,076
Cost of Sales - weedicide		<u>(2,066,681)</u>	<u>(1,835,447)</u>
<b>Gross profit</b>		20,142	112,629
Other income	4	1,409,909	939,824
Administrative expenses	5	(514,448)	(540,526)
Other operating expenses	6	<u>(430,610)</u>	<u>(562,506)</u>
		484,993	(50,579)
Finance income	8	19,791	16,518
Surplus / (deficit) before income tax		<u>504,784</u>	<u>(34,061)</u>
Income tax expense	3(g)	<u>-</u>	<u>-</u>
<b>Surplus / (deficit) for the year</b>		504,784	(34,061)
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income / (loss) for the year</b>		504,784	(34,061)
Accumulated funds at the beginning of the year		<u>3,107,638</u>	<u>3,141,699</u>
<b>Accumulated funds at the end of the year</b>		<u><u>3,612,422</u></u>	<u><u>3,107,638</u></u>

The notes on pages 8 to 21 are an integral part of these financial statements.

**Sugar Cane Growers Council**  
**Statement of financial position**  
**As at 31 December 2017**

	Note	2017	2016
		\$	\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	1,332,932	1,041,268
Investments	10	578,842	485,079
Held to maturity investments	12	100,000	-
<b>Total non-current assets</b>		<u>2,011,774</u>	<u>1,526,347</u>
<b>Current assets</b>			
Cash and cash equivalents	11	1,393,101	747,941
Held to maturity investments	12	350,000	550,000
Inventories - finished goods		5,627	64,390
Receivables	13	1,386,377	593,419
Prepayments		14,308	12,656
<b>Total current assets</b>		<u>3,149,413</u>	<u>1,968,406</u>
<b>Total assets</b>		<u><u>5,161,187</u></u>	<u><u>3,494,753</u></u>
<b>Funds employed</b>			
Funds employed		<u>3,612,422</u>	<u>3,107,638</u>
<b>Total funds employed</b>		<u>3,612,422</u>	<u>3,107,638</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables and accruals	14	1,507,381	329,608
Employee benefits	15	41,384	57,507
<b>Total current liabilities</b>		<u>1,548,765</u>	<u>387,115</u>
<b>Total liabilities</b>		<u>1,548,765</u>	<u>387,115</u>
<b>Total funds employed and liabilities</b>		<u><u>5,161,187</u></u>	<u><u>3,494,753</u></u>

Signed on behalf of the Board.

  
 \_\_\_\_\_  
**Council member**

  
 \_\_\_\_\_  
**Council member**

The notes on pages 8 to 21 are an integral part of these financial statements.

**Sugar Cane Growers Council**  
**Statement of cash flows**  
**For the year ended 31 December 2017**

	Note	2017 \$	2016 \$
<b>Operating activities</b>			
Receipts of growers levy from Fiji Sugar Corporation		3,725	6,004
Receipts from weedicide sales		1,290,140	1,836,220
Government grant received		891,898	600,000
Other receipts		368,807	332,941
Payments to suppliers and employees		<u>(1,762,815)</u>	<u>(2,763,562)</u>
<b>Net cash from operating activities</b>		<u>791,755</u>	<u>11,603</u>
<b>Investing activities</b>			
Interest received	8	19,791	16,518
Acquisition of property, plant and equipment	9/17	(451,515)	(11,797)
Proceeds from term deposits	12	100,000	-
Proceeds from disposal of property, plant and equipment		<u>185,129</u>	<u>-</u>
<b>Cash from investing activities</b>		<u>(146,595)</u>	<u>4,721</u>
Net increase in cash and cash equivalents		645,160	16,324
Cash and cash equivalents at 1 January		<u>747,941</u>	<u>731,617</u>
Cash and cash equivalents at 31 December	11	<u><u>1,393,101</u></u>	<u><u>747,941</u></u>
Material non-cash investing activity	17		

The notes on pages 8 to 21 are an integral part of these financial statements.



# **Sugar Cane Growers Council**

## **Notes to the financial statements**

### **For the year ended 31 December 2017**

#### **1. Reporting entity**

Sugar Cane Growers Council (the "Council") is a body corporate domiciled in Fiji, established under the Sugar Industry Amendment Bill 2015. The address of the Council's registered office is 75 Drasa Avenue, Lautoka.

The principal activities of the Council are outlined under Section 1.2 of the Sugar Industry Amendment Bill 2015 which is to ensure the protection and development of the sugar cane industry. There were no significant changes in the nature of the activities of the Council during the financial 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 Council Members on 3 October 2018.

##### **(b) Basis of measurement**

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

##### **(c) Functional and presentation currency**

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

##### **(d) 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 2017**

**2. Basis of preparation (continued)**

**(d) Use of estimates and judgments (continued)**

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

- Note 3(c) - Recoverability of receivables

**3. Significant accounting policies**

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

**(a) Financial instruments**

**(i) Non-derivative financial assets**

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

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

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

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

**Loans and receivables**

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

Loans and receivables comprise cash and cash equivalents and receivables.

**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**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 2017

#### 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.

###### (ii) Subsequent costs

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

###### (iii) Depreciation

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

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

<b>Asset</b>	<b>Rate</b>
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 2017**

**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 a specific asset level.

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

(ii) Non-financial assets

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

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

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

**(d) Employee benefits**

i) Defined contribution plan / superannuation

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits. Costs are included in profit or loss as the service is provided by the employee.

ii) Annual leave and long service leave

Annual leave and long service leave with respect to employees' services up to the reporting date, measured at the amounts expected to be paid when the liabilities are settled, are accrued for under employee benefits.

**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**3. Significant accounting policies (continued)**

**(d) Employee benefits (continued)**

iii) Short-term benefits

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

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are recognised in other payables on the statement of financial position.

**(e) Inventories**

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

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

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

(ii) Sale of weedicide

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

(iii) Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grants will be received and the entity will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they intended to compensate.

(iv) Other income

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

**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**3. Significant accounting policies (continued)**

**(f) Revenue (continued)**

(v) Rental income

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

**(g) Income tax**

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

**(h) Financing income**

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>4. Other income</b>		
Dividend income - Unit Trust of Fiji	67,264	17,592
Government grant	841,898	550,459
Gain on investments carried at fair value (Note 10)	73,498	36,832
Gain on sale of property, plant and equipment	105,441	2,000
Legal income	34,529	43,638
Knife sales	103,568	20,454
Directors fees and hall hire	113,114	62,932
Share of profit from Sugar House	-	140,000
Rental income	70,597	65,917
	<u>1,409,909</u>	<u>939,824</u>
<b>5. Administrative expense</b>		
Bank charges	1,221	1,392
Meeting costs	10,735	18,911
Personnel expenses (refer note 7)	502,492	520,223
	<u>514,448</u>	<u>540,526</u>

**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>6. Other operating expenses</b>		
Advertising	2,085	2,818
Auditor's remuneration - audit services	7,525	6,300
- other services	640	8,509
Bad debts	2,092	-
City rates	681	714
Cleaning	10,032	9,160
Depreciation	80,162	49,358
Donations	500	100
Doubtful debts	-	199,568
Electricity	21,681	23,911
Fringe benefit tax	4,311	5,850
Growers accountant's fees	5,450	10,900
Hospitality	1,509	1,460
Insurance	19,469	22,896
Information technology	3,216	2,789
Legal department expenses	21,261	37,977
Medical insurance expenses	12,396	13,320
Motor vehicle expenses	27,928	42,817
Office expenses	9,245	4,636
Postage	3,058	3,330
Professional services	12,200	5,725
Purchase of knives	85,137	17,497
Rent	37,385	31,158
Repairs and maintenance	9,993	24,051
Security expenses	4,307	3,862
Staff training	-	1,276
Stationery and printing	17,736	3,808
Subscriptions	3,697	3,260
Telephone	21,184	24,539
Uniform	3,278	338
Water rates	2,452	579
	<u>430,610</u>	<u>562,506</u>



**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>7. Personnel expenses</b>		
Annual and long-service leave	41,384	57,507
Fiji National Provident Fund (FNPF) contributions	35,586	36,316
Key management compensation - short term benefits	116,378	121,645
- FNPF	15,603	14,270
Fiji National University Levy	4,644	7,027
Wages and salaries	288,897	283,458
	<u>502,492</u>	<u>520,223</u>
<b>8. Finance income</b>		
Interest income	<u>19,791</u>	<u>16,518</u>

**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**9. Property, plant and equipment**

	Fixtures and fittings \$	Plant and equipment \$	Motor vehicles \$	Land and buildings \$	Total \$
<b>Cost</b>					
Balance at 1 January 2016	121,795	454,548	269,325	1,349,399	2,195,067
Acquisitions during the year	449	10,568	-	2,780	13,797
Disposals during the year	-	(4,000)	-	-	(4,000)
Balance at 31 December 2016	122,244	461,116	269,325	1,352,179	2,204,864
Acquisitions during the year	1,412	14,139	435,505	459	451,515
Disposals during the year	-	(7,200)	(350,976)	-	(358,176)
Balance at 31 December 2017	123,656	468,055	353,854	1,352,638	2,298,203
<b>Accumulated Depreciation</b>					
Balance at 1 January 2016	121,376	435,410	239,533	321,920	1,118,239
Depreciation charge for the year	128	9,246	19,219	20,765	49,358
Disposals during the year	-	(4,000)	-	-	(4,000)
Balance at 31 December 2016	121,504	440,656	258,752	342,685	1,163,597
Depreciation charge for the year	292	10,848	48,881	20,141	80,162
Disposals during the year	-	(6,747)	(271,741)	-	(278,488)
Balance at 31 December 2017	121,796	444,757	35,892	362,826	965,271
<b>Carrying amount</b>					
At 31 December 2016	740	20,460	10,574	1,009,494	1,041,268
At 31 December 2017	1,860	23,298	317,962	989,812	1,332,932

**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**10. Investments**

Non-current investment

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

<u>Unit Trust of Fiji</u>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
This represents investment in Unit Trust of Fiji of 304,564 units (2016: 293,988 units) at \$1.90 (2016: \$1.65).	578,842	485,079
	<u>578,842</u>	<u>485,079</u>
<u>Reconciliation of investment in Unit Trust of Fiji</u>		
Balance at 1 January	485,079	430,655
Additional units acquired during the year	20,265	17,592
Gain on remeasurement of investment to fair value	73,498	36,832
Balance at 31 December	<u>578,842</u>	<u>485,079</u>

Financial assets designated at cost are as follows:

Fiji Sugar Corporation

This represents investment in Fiji Sugar Corporation	29,850	38,931
Less provision for impairment	(29,850)	(38,931)
	<u>-</u>	<u>-</u>

**11. Cash and cash equivalents**

Cash at bank	1,391,151	745,911
Cash on hand	1,950	2,030
Cash and cash equivalents in the cash flow statements	<u>1,393,101</u>	<u>747,941</u>

**12. Held to maturity investments**

Current	350,000	550,000
Non-current	100,000	-
	<u>450,000</u>	<u>550,000</u>

The interest rate on term deposits ranges from 3.6% to 5.25% per annum (2016: average of 3.375% per annum). The deposits have an average maturity ranging from 365 days to 720 days (2016: 365 days).

**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>13. Receivables</b>		
Growers levy receivable from The Fiji Sugar Corporation Limited	700,671	704,935
Less: Provision for doubtful debts	<u>(700,671)</u>	<u>(704,935)</u>
	-	-
Receivable from The Fiji Sugar Corporation Limited for sale of weedicide	1,263,191	537,735
Receivable from Labasa Cane Producers Association	68,541	-
Dividend receivable from South Pacific Fertilizers Limited	47,000	1,614
Receivable from Sugar Cane Growers Fund	-	4,525
Other receivables	<u>7,645</u>	<u>49,545</u>
	<u><u>1,386,377</u></u>	<u><u>593,419</u></u>
<u>Movement in provision for doubtful debts</u>		
Balance as at 1 January	704,395	504,827
Created during the year	-	199,568
Recoveries	<u>(3,724)</u>	-
Balance as at 31 December	<u><u>700,671</u></u>	<u><u>704,395</u></u>
<b>14. Other payables and accruals</b>		
Payables and accruals	44,641	53,104
Deferred income	50,000	-
VAT payable	14,445	49,541
South Pacific Fertilizers Limited	<u>1,398,295</u>	<u>226,963</u>
	<u><u>1,507,381</u></u>	<u><u>329,608</u></u>
<b>15. Employee benefits</b>		
Balance at 1 January	57,507	48,827
Created during the year	30,590	57,507
Leave utilised during the year	<u>(46,713)</u>	<u>(48,827)</u>
Balance at 31 December	<u><u>41,384</u></u>	<u><u>57,507</u></u>

Employee benefits is comprised of annual leave and long service leave. Generally these leaves are taken within one year of entitlement and accordingly it is expected that a significant portion of the total balance will be utilised within the next financial year.



**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**16. Related parties**

**(a) The Members**

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

- Viliame Gucake (Chairman)
- Manasa Tagicakibau
- Jovesa Vocea
- Jai Ram Khelawan
- Nand Kishore
- Pradip Kumar
- Prakash Chandra
- Prabindra Singh

**(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.

<b>(c) Amounts receivable from / (payable to) related parties</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Payable to South Pacific Fertilizers Limited	(1,398,295)	(226,963)
Receivable from The Fiji Sugar Corporation Limited for sale of weedicide (Note 13)	1,263,191	537,735
Growers levy receivable from The Fiji Sugar Corporation	700,671	704,395
Receivable from South Pacific Fertilizers Limited (Note 13)	47,000	1,614
Receivable from Sugar Cane Growers Fund (Note 13)	-	4,525
	<u>                    </u>	<u>                    </u>

**(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:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Purchase of weedicide from South Pacific Fertilizers Limited	1,907,568	1,828,210
Sale of weedicide to The Fiji Sugar Corporation Limited	1,827,029	1,835,448
Rental income from Sugar Cane Growers Fund	63,228	62,892
	<u>                    </u>	<u>                    </u>

**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**16. Related parties (continued)**

**(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.

	<b>2017</b>	<b>2016</b>
<b>17. Material non-cash investing activity</b>	<b>\$</b>	<b>\$</b>
Re-investment of dividend income earned in Unit Trust of Fiji	20,265	17,592
Acquisition of property, plant and equipment via trade-in	<u>-</u>	<u>(2,000)</u>

**18. Capital commitments**

Capital commitments as at 31 December 2017 amounted to \$nil (2016: \$nil).

**19. Contingent liabilities**

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

**20. Events subsequent to year end**

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



## **Disclaimer**

The additional financial information presented on pages 23 to 24 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 2017. 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.

A handwritten signature in black ink, appearing to read 'KPMG', with a horizontal line underneath it.

**3 October, 2018**  
**Nadi, Fiji**

**KPMG**  
**Chartered Accountants**

**Sugar Cane Growers Council**  
**Statement of operations**  
**For the year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Sales	2,086,823	1,948,076
Cost of Sales	(2,066,681)	(1,835,447)
<b>Gross Profit</b>	<u>20,142</u>	<u>112,629</u>
Growers levy	-	
Government grant	841,898	550,459
Proceeds from sugar house	-	140,000
Dividend income	67,264	17,592
Gain on investments carried at fair value	73,498	36,832
Gain on sale of property, plant and equipment	105,441	2,000
Interest income	19,791	16,518
Rental income	70,597	65,917
Legal income	34,529	43,638
Knife sales	103,568	20,454
Directors fees and hall hire	113,114	62,932
<b>Total income</b>	<u>1,449,842</u>	<u>1,068,971</u>
<b>Expenditure</b>		
Advertising	2,085	2,818
Auditor's remuneration - audit services	7,525	6,300
- other services	640	8,509
Bad debts	2,092	-
Bank charges	1,221	1,392
City rates	681	714
Cleaning	10,032	9,160
Depreciation	80,162	49,358
Donations	500	100
Doubtful debts	-	199,568
Electricity	21,681	23,911
Fiji National Provident Fund contributions	51,189	50,586
Fiji National University Levy	4,644	7,027
Fringe benefit tax	4,311	5,850
Uniform	3,278	338
Growers accountant's fees	5,450	10,900
Hospitality	1,509	1,460
Insurance	19,469	22,896
Expenses balance carried forward	<u>216,469</u>	<u>400,887</u>

The above statement of operations is to be read in conjunction with the disclaimer report set out on page 22.

**Sugar Cane Growers Council**  
**Statement of operations (continued)**  
**For the year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	\$	\$
Expenses balance brought forward	216,469	400,887
Information technology	3,216	2,789
Legal department expenses	21,261	37,977
Meeting costs - other	10,735	18,911
Medical expenses	12,396	13,320
Motor vehicle expenses	27,928	42,817
Office expenses	9,245	4,636
Postage	3,058	3,330
Professional services	12,200	5,725
Purchase of knives	85,137	17,497
Rent	37,385	31,158
Repairs and maintenance	9,993	24,051
Security expenses	4,307	3,862
Staff training	-	1,276
Stationery and printing	17,736	3,808
Subscriptions	3,697	3,260
Telephone	21,184	24,539
Wages and salaries	446,659	462,610
Water rates	2,452	579
	<hr/>	<hr/>
<b>Total expenditure</b>	<b>945,058</b>	<b>1,103,032</b>
	<hr/>	<hr/>
<b>Operating surplus / (deficit)</b>	<b><u>504,784</u></b>	<b><u>(34,061)</u></b>

The above statement of operations is to be read in conjunction with the disclaimer report set out on page 22.



**SUGAR CANE GROWERS COUNCIL -SERVING THE CANE GROWERS OF FIJI**  
We're very approachable and would love to speak to you. Feel free to call, send us an email.

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Chief Executive Officer  
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Mob: 9928857

**Sunil Deo Chaudhary**

General Manager  
Operations  
Mob: 9997275

**Sheetal Swastika Chetty**

In-House Legal Counsel

**Shivasna Sivan**

Executive Accounts Officer

**Reijeli Susi Marama**

Personal Assistant to CEO

**Kevin Kunal Achari**

Executive Officer- HO

**Zillah Prakash**

Tel:6650466/6650395  
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**Mohammed Imran Buksh**

Executive Officer

**Ganga Ashwin Reddy**

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Ba

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**Arveen Kumar**

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**Karam Deo Chand**

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**Rehana Bi**

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