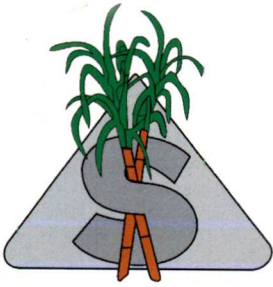


# **SUGAR CANE GROWERS FUND**



**2015  
Annual Report**

# SUGAR CANE GROWERS FUND



2<sup>nd</sup> Floor,  
Sugar Cane Growers Council Building,  
75 Drasa Avenue, Lautoka.  
P.O Box 13,  
Lautoka.  
Phone: 665 0777 / 665 0280  
Fax: 665 0768  
Email: [scgf@connect.com.fj](mailto:scgf@connect.com.fj)

Our Ref:

26 October 2017

Rear Admiral Josaia Voreqe Bainimarama  
Honorable Prime Minister & Minister for Sugar Industry  
P O Box 2353  
Government Buildings  
Suva

Dear Honorable Prime Minister

Enclosed herewith is a copy of the Annual Report and the Audited Accounts for the Sugar Cane Growers Fund and the consolidated Financial Statements of the Group (the Group being the Fund and its Subsidiary – South Pacific Fertilizers Limited) for the year ended 31 December 2015, in accordance with Section 16 of the Act.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Faizul Ariff Ali', written over a dotted line.

FAIZUL ARIFF ALI

**CHAIRMAN - SCGF**

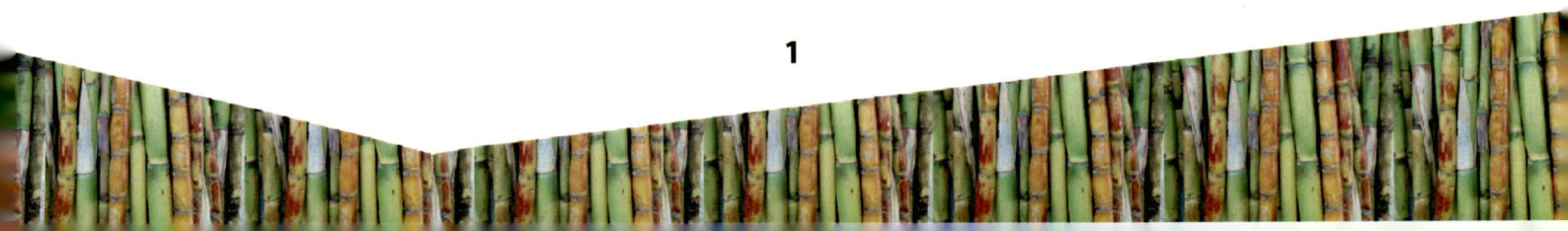
## BACKGROUND

The Sugar Cane Growers Fund Authority was established by Act. No. 9 of 1984 enacted by the Parliament of Fiji on 26 July 1984. All monies and Assets of the Sugar Cane Price Support Fund were transferred to the Sugar Cane Growers Fund under the Act. The name has been changed to Sugar Cane Growers Fund by amendment Act 12 of 1996.

## FUNCTIONS

The function of the Fund is to provide loans to Sugar Cane Growers for the following purposes:-

- (a) Purposes which, in the opinion of the Board, will increase the production of Sugar Cane;
- (b) Purposes which, in the opinion of the Board will improve efficiency in the planting, growing, harvesting and transportation of Sugar Cane;
- (c) The carrying out of work which the Board considers necessary or desirable to rehabilitate farms, buildings and other installations damaged, destroyed or affected by floods, cyclones, droughts or other natural disasters;
- (d) The carrying out of work which the Board considers necessary or desirable to establish sugar cane farms and to construct buildings and other installations on those farms;
- (e) The carrying out of work which the Board considers necessary or desirable for crop diversification;
- (f) The making of provision to such extent as the Board considers necessary, for the personal family needs of Growers during periods of financial distress or hardship;
- (g) To enable cane growers to participate in commercial ventures which, in the opinion of the Board, are intended to benefit the cane growing industry.



## ASSISTANCE TO CANE GROWERS

Under section 17 (1) of the Act, a loan to a cane grower is a first charge on all cane proceeds due to him/her provided the loan is for those purposes only, set out in paragraph (a), (b), (c) and (f) of subsection 1 of section 4 of the Act and the loan does not exceed \$5,000.00. Repayment of advances by the Fiji Sugar Corporation Limited, or other payments of whatsoever nature made to the cane growers or on his/her behalf, Sugar Cane Growers Council Levy and Land Rent under the Master Award take precedence.

## LOANS TO GROWERS

Presently, the Fund has the following loan facilities available for Cane farmers:

### 1. Priority Loans

limited upto \$5,000 for Farm Development and Planting for Sugar Cane and Repair of Farm Equipments, House Repairs, Educational Expenses, Wedding Expenses, Drainage, Road Repairs, Weedicides, Borehole Drilling, Medical Expenses and Purchase of Working Bullocks and Horses, etc.

### 2. Specialised Lending

loans of upto \$50,000 for the Purchase of Farms, Farm Machinery, Cane Trucks, Construction of Farm House and for other purposes provided in the Act.

### 3. Loans to Tenants for New Leases

loans to assist growers to obtain New Leases from the iTaukei Land Trust Board, Department of Lands and other Landowners.

### 4. Refinance of Sugar Cane Growers Loan

loans to Refinance Sugar Cane Growers loans with Commercial Banks and other Lenders. Loans are approved only for the purposes provided in the Sugar Cane Growers Fund Act.



**DETAILS OF LOANS CUMMULATIVE TO 2015**

Particulars	Priority Loans	Specialised Loans	New Leases	Refinance
Application Approved	29,666	3,387	3,911	670
Applications paid	29,339	5,493	4,064	645
Value of Loans Approved	\$38,909,729	\$26,354,384	\$21,932,757	\$7,134,860
Value of Loans Paid Out	\$33,377,094	\$38,190,209	\$19,591,290	\$6,583,877

**DISTRICT OFFICES**

The Fund has Offices in Lautoka, Labasa, Rakiraki, Tavua, Ba and Nadi to provide services to sugar cane growers. Growers from the Sigatoka and Seaqaqa Districts are provided services by the Nadi and Labasa District Staff once a week from the Sugar Cane Growers Council Offices in their respective Districts.

Loans applications are received at the District Offices, the approvals and payments are processed at the Head Office.

During the year, the Fund approved loans under Priority Loans to the value of \$3,285,585.38. Loans under Specialised Lending to the value of \$1,322,571.57. Loans for Cane Development Revolving Fund to the value of \$65,174.30.

The Labasa District Office received – 1,120, Rakiraki - 463, Tavua – 348, Ba – 1,220, Nadi – 505 and Lautoka – 465 applications respectively.

**LOANS TO SOUTH PACIFIC FERTILIZERS LIMITED**

Following submissions by the South Pacific Fertilizers Limited and the Stakeholders of the Sugar Industry to Government for assistance to support the price of fertilizer supplied to the sugar cane growers.

The Government/Cabinet made the following decisions as Way Forward for the SPFL:

- a) that the Fertilizer price increase of \$26.09 per bag (from \$19.50 to \$45.59 per bag) be effective from 2009, for which additional \$12 per bag (from \$19.50 to \$31.50) is to be met by the growers and the balance of \$14.09 per bag (from \$31.50 to \$45.59 per bag) to be met by the Government.



- b) that the SPFL be restructured as follows:
- i. its loans (\$14.7 m) in the Sugar cane Growers Fund (SCGF) be converted to equity;
  - ii. the Fiji Sugar Corporation (FSC) divests from SPFL and its shares be transferred to the other Shareholders.
  - iii. that consequential amendments be made to the Sugar Cane Growers Fund Act to allow for the SCGF to make investments in the SPFL and
- c) that the SCGF be asked to provide necessary financing needs of the SPFL and
- d) that in view of the SCGF acquiring majority shares (90%), the Chairmanship of the SPFL be held by the representative of the SCGF, and that the Fiji Sugar Corporation have a nominee Director on the SPFL Board appointed by SCGF.

In 2015, the Company borrowed \$9,923,048.70 for procurement of Raw Materials and \$822,195.91 towards Roof Upgrade damaged by Cyclone Evan in 2012. Total Loan outstanding as at 31 December 2015 was \$4,544,530.00

## CANE DEVELOPMENT REVOLVING FUND

The Board of Management of the Sugar Cane Growers Fund agreed to provide \$3million towards establishment of a Cane Development Revolving Fund initiated by the Fiji Sugar Corporation Limited with the \$6 million the Government allocated in the 2011 Budget for Sugar Cane Planting.

The Industry Stakeholders – the Fiji Sugar Corporation Limited, Sugar Cane Growers Fund, Sugar Cane Growers Council, the Sugar Industry Tribunal, South Pacific Fertilizers Limited and the Sugar Research Institute of Fiji signed a Memorandum of Agreement to support the initiative taken by the Fiji Sugar Corporation Limited.

Money from the Revolving Fund is an interest free loan repayable over four years. Recovery would commence from the second year and deductions shall take place from the delivery payments.

The Sugar Cane Growers Fund is responsible for the assessment of loan applications and release of loan funds.

Particulars	CDRF Loan
Application Approved	5,788
Applications paid	4,239
Value of Loans Approved	\$ 11,014,804
Value of Loans Paid Out	\$ 8,583,877

## SPECIAL CANE PAYMENT

The Sugar Cane Growers Fund advanced \$8.4 million to the Fiji Sugar Corporation Limited in May 2010 for top-up of the 4<sup>th</sup> Cane Payment for the 2009 season. This payment was made following a directive from the Prime Minister and Minister for Sugar Industry.

The loan was to be repaid from sugar proceeds of the 2011 and 2012 season. \$4.2 million out of \$8.4 million remains unpaid.

The Government through the Ministry of Sugar Industry will pay the interest.

## SUMMARY OF LOANS AND INVESTMENTS

Institution		Amount
Loans to Growers	\$	9,472,466
South Pacific Fertilizers Ltd Shares	\$	13,401,405
South Pacific Fertilizers Ltd. Loan	\$	4,544,530
Fiji Sugar Corporation Limited	\$	5,793,091

## FUNDS BANKERS

Bank of Baroda is the Fund's Bankers.

## STAFF

The Staff are members of the Fiji Bank & Finance Sector Employees Union and are employed under Terms & Conditions contained in an agreement between the Fund and the Fiji Bank & Finance Sector Employees Union.

## BOARD MEETINGS

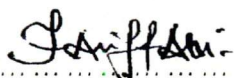
The Board of Management held four meetings during the year.



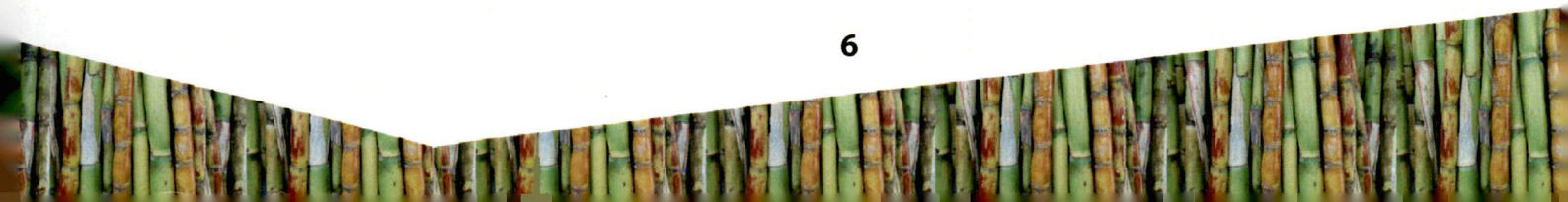
## ACKNOWLEDGEMENT

The Board wishes to acknowledge the co-operation and assistance given by the Ministry of Sugar Industry, Ministry of Finance, Ministry of Agriculture, Ministry of Lands & Mineral Resources, iTaukei Land Trust Board, Sugar Cane Growers Council, Sugar Industry Tribunal, Fiji Sugar Corporation Limited, Sugar Research Institute of Fiji, South Pacific Fertilizers Limited and the Trading Banks to the Fund during the year.

The Board acknowledges the efficient manner in which the Management and Staff have performed their duties.



.....  
**CHAIRMAN**  
**SUGAR CANE GROWERS FUND**





**Sugar Cane Growers Fund and its Subsidiary**

**Financial Statements**

**For the year ended 31 December 2015**

# Sugar Cane Growers Fund and its Subsidiary

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# **Sugar Cane Growers Fund and its Subsidiary**

## **Board report**

The Board presents their report together with the financial statements of Sugar Cane Growers Fund ("the Fund") and the consolidated financial statements of the Group (being the Fund and its Subsidiary, South Pacific Fertilizer Limited) for the year ended 31 December 2015 and the auditor's report thereon.

### **Board Members**

The names of Board Members in office at any time during the year and up to the date of this report were as follows:

Mr Faizul Ariff Ali (appointed as Chairman on 19 January 2017)  
Mr Viliame Gucake (appointed as Chairman on 18 November 2015, resigned on 7 January 2017)  
Mr Parmesh Chand -(Chairman (appointed on 6 March 2015, resigned on 18 November 2015)  
Mr Filipe Alifereti -(Director (appointed on 6 March 2015, resigned on 18 November 2015)  
Mr Abdul Khan -(Member (appointed on 18 November 2015, resigned on 19 January 2017)  
Mr Timothy Brown -(Member (appointed on 18 November 2015)  
Mr David Veremo -(Member (appointed on 18 November 2015)  
Mr Sundresh Chetty -(Member (appointed on 18 November 2015)  
Mr Pradeep Lal -(Member (appointed on 19 January 2017)

### **State of affairs**

In the opinion of the Board, the accompanying statements of financial position gives a true and fair view of the state of affairs of the Group and the Fund as at 31 December 2015 and the accompanying statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flow give a true and fair view of the results, changes in equity and cash flows of the Group and the Fund for the year then ended.

### **Trading results**

The loss of the Group was \$669,130 (2014: profit of \$6,363,966) after accounting for income tax expense of \$Nil (2014: \$Nil).

The profit of the Fund for the year amounted to \$1,076,259 (2014: \$1,374,308) after accounting for income tax expense of \$Nil (2014: \$Nil).

### **Principal activity**

The principal activity of the Fund as outlined under Sugar Cane Growers Fund Act 1984, Section 4, is to provide loans to sugar cane growers to increase production of sugar cane, improve efficiency in the planting, growing and transportation of sugar cane, rehabilitate farms, buildings and other installations damaged, destroyed or affected by floods, cyclones, droughts or other natural disasters, establish sugarcane farms and to construct buildings and other installations on those farms, crop diversification and to provide assistance to the personal family needs of growers during periods of financial distress or hardship and to benefit the cane growing industry.

The principal activity of the Subsidiary during the year was importing, blending, packing and distributing fertilizer mainly to sugarcane farmers.



## **Sugar Cane Growers Fund and its Subsidiary Board report (continued)**

### **Current assets**

The Board took reasonable steps before the financial statements were made out to ascertain that the current assets of the Group and the Fund 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 Board are not aware of any circumstances which would render the values attributable to the current assets in the consolidated financial statements to be misleading.

### **Receivables**

The Board took reasonable steps before the 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 Board 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 and disclosed in the financial statements.

### **Other circumstances**

At the date of this report, the Board are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the accounts to be misleading.

### **Unusual circumstances**

The results of the Group's and the Fund's operations during the financial year have not in the opinion of the Board been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

### **Events subsequent to balance date**


The subsidiary's plant and storage facility sustained damages due to cyclone Winston on 20th February 2016. The estimated cost of damages and stock loss is estimated at \$1.5 million. A claim for the damages due to cyclone Winston and stock loss has been lodged with the Company's insurers.

Apart from the above matter and other matters specifically referred to in the financial statements, 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 Board, to affect significantly the operations of the Group and the Fund, the results of those operations or the state of affairs of the Group and the Fund in subsequent financial years.

Dated at SCGF this 31 day of July 2017.

Signed in accordance with a resolution of the Board.

  
Chairman

  
Board member



## Sugar Cane Growers Fund and its Subsidiary

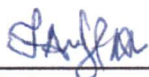
### Statement by Board Members

In the opinion of the Board Members of Sugar Cane Growers Fund:

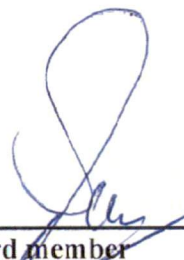
- (a) the accompanying statements of profit or loss and other comprehensive income of the Group and the Fund are drawn up so as to give a true and fair view of the results of the Group and the Fund for the year ended 31 December 2015;
- (b) the accompanying statements of changes in equity are drawn up so as to give a true and fair view of the changes in equity of the Group and the Fund for the year ended 31 December 2015;
- (c) the accompanying statements of financial position of the Group and the Fund are drawn up so as to give a true and fair view of the state of affairs of the Group and the Fund as at 31 December 2015;
- (d) the accompanying statements of cash flows of the Group and the Fund are drawn up so as to give a true and fair view of the cash flows of the Group and the Fund for the year ended 31 December 2015;
- (e) at the date of this statement there are reasonable grounds to believe the Group and the Fund will be able to pay their debts as and when they fall due; and
- (f) all related party transactions have been adequately recorded in the books of the Group and the Fund.

Dated at SCGF this 31 day of July 2017.

Signed in accordance with a resolution of the Board members.



Chairman



Board member





## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SUGAR CANE GROWERS FUND AND ITS SUBSIDIARY**

#### **Report on the Fund and Consolidated Financial Statements**

We have audited the accompanying financial statements of Sugar Cane Growers Fund (the "Fund") and the consolidated financial statements of the Fund and its subsidiary (the "Group"), which comprise statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes 1 to 27, comprising a summary of significant accounting policies and other explanatory information.

#### **Directors' and Management's Responsibility for the Financial Statements**

Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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 separate and consolidated financial statements give a true and fair view, in all material respects, of the financial position of Sugar Cane Growers Fund and the Group as at 31 December 2015, and their financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards so far as concerns the Board Members of the Fund.





## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SUGAR CANE GROWERS FUND AND ITS SUBSIDIARY (continued)

#### Report on Other Legal and Regulatory Requirements

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

In our opinion:

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

31<sup>st</sup> July 2017  
Nadi, Fiji Islands

A handwritten signature in blue ink that reads 'KPMG.' with a horizontal line underneath the letters.

KPMG  
Chartered Accountants



**Sugar Cane Growers Fund and its Subsidiary**  
**Statements of profit or loss and other comprehensive income**  
**For the year ended 31 December 2015**

	Note	Group		Fund	
		2015	2014	2015	2014
		\$	\$	\$	\$
Sales		20,076,804	19,916,331	-	-
Cost of sales		(19,239,602)	(19,259,850)	-	-
<b>Gross profit</b>		837,202	656,481	-	-
Finance income	5	1,488,311	1,680,879	2,049,498	2,310,506
Other operating income	6	821,302	7,563,914	233,753	166,345
		3,146,815	9,901,274	2,283,251	2,476,851
Administrative and other operating expenses	7	(3,751,941)	(3,537,308)	(1,206,992)	(1,102,543)
<b>(Loss) / profit from operations</b>		(605,126)	6,363,966	1,076,259	1,374,308
Finance costs		(64,004)	-	-	-
<b>Operating (loss) / profit before income tax</b>		(669,130)	6,363,966	1,076,259	1,374,308
Income tax expense	9 (a)	-	-	-	-
<b>(Loss) / profit for the year</b>		(669,130)	6,363,966	1,076,259	1,374,308
Other comprehensive income, net of tax		-	-	-	-
<b>Total comprehensive (loss) / income for the year</b>		<u>(669,130)</u>	<u>6,363,966</u>	<u>1,076,259</u>	<u>1,374,308</u>
<b>Total comprehensive income / (loss) attributable to:</b>					
- Owners		(505,063)	5,894,938	1,076,259	1,374,308
- Minority interest		(164,067)	469,028	-	-
		<u>(669,130)</u>	<u>6,363,966</u>	<u>1,076,259</u>	<u>1,374,308</u>

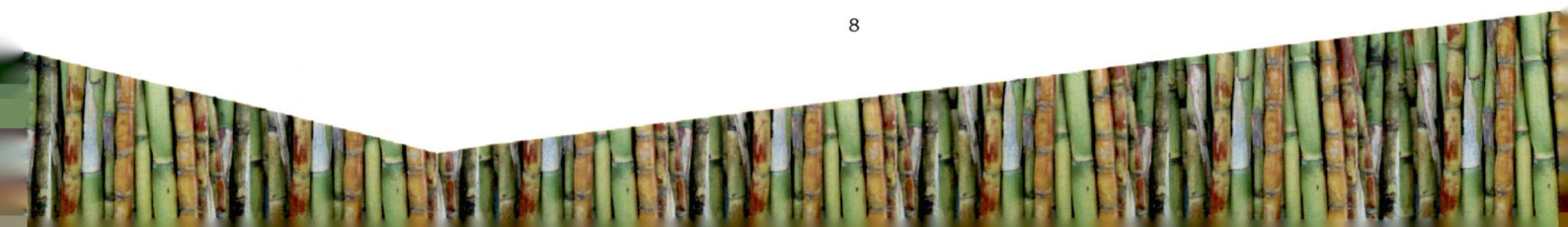
The notes on pages 11 to 34 are an integral part of these financial statements.



**Sugar Cane Growers Fund and its Subsidiary**  
**Statements of changes in equity**  
**For the year ended 31 December 2015**

	<b>Funds employed / retained earnings attributable to the:</b>		<b>Total</b>
	<b>Owners</b>	<b>Minority interest</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Group</b>			
Balance at 1 January 2014	60,109,712	1,311,803	61,421,515
<b>Total comprehensive income</b>			
Profit for the year	5,894,938	469,028	6,363,966
Other comprehensive income, net of tax	-	-	-
<b>Balance at 31 December 2014</b>	<u>66,004,650</u>	<u>1,780,831</u>	<u>67,785,481</u>
Balance at 1 January 2015	66,004,650	1,780,831	67,785,481
<b>Total comprehensive income</b>			
Loss for the year	(505,063)	(164,067)	(669,130)
Other comprehensive income, net of tax	-	-	-
<b>Balance at 31 December 2015</b>	<u>65,499,587</u>	<u>1,616,764</u>	<u>67,116,351</u>
			<b>Funds employed</b>
			<b>\$</b>
<b>Fund</b>			
Balance at 1 January 2014			60,903,754
<b>Total comprehensive income</b>			
Profit for the year			1,374,308
Other comprehensive income, net of tax			-
<b>Balance at 31 December 2014</b>			<u>62,278,062</u>
<b>Total comprehensive income</b>			
Profit for the year			1,076,259
Other comprehensive income, net of tax			-
<b>Balance at 31 December 2015</b>			<u>63,354,321</u>

The notes on pages 11 to 34 are an integral part of these financial statements.



**Sugar Cane Growers Fund and its Subsidiary**  
**Statements of financial position**  
**For the year ended 31 December 2015**

	Note	Group		Fund	
		2015	2014	2015	2014
		\$	\$	\$	\$
<b>Assets</b>					
Cash and cash equivalents	10	10,312,767	6,584,011	10,057,031	6,414,955
Other investments	11	1,641,943	1,534,030	1,640,288	1,532,375
Held to maturity investments	12	7,500,000	4,000,000	7,500,000	4,000,000
Trade and other receivables	13	14,556,707	9,148,123	101,014	102,493
Loans to growers	14	24,117,017	22,119,320	24,117,017	22,119,320
Inventories	15	11,906,380	14,623,260	-	-
Prepayments	16	54,291	4,098,775	13,094	10,322
Advances to industry related parties	17	5,793,091	4,814,597	10,337,621	18,562,962
Property, plant and equipment	18	5,801,026	5,431,670	103,186	55,594
Investment in subsidiary	19	-	-	13,401,405	13,401,405
<b>Total assets</b>		<b>81,683,222</b>	<b>72,353,786</b>	<b>67,270,656</b>	<b>66,199,426</b>
<b>Liabilities</b>					
Trade and other payables	20	4,778,776	4,502,311	3,850,341	3,855,370
Employee benefits	21	65,994	65,994	65,994	65,994
Borrowings	22	4,389,390	-	-	-
Deferred grant income	22	5,332,711	-	-	-
<b>Total liabilities</b>		<b>14,566,871</b>	<b>4,568,305</b>	<b>3,916,335</b>	<b>3,921,364</b>
<b>Equity</b>					
Funds employed / Retained earnings		65,499,587	66,004,650	63,354,321	62,278,062
Minority interest	24	1,616,764	1,780,831	-	-
<b>Total equity</b>		<b>67,116,351</b>	<b>67,785,481</b>	<b>63,354,321</b>	<b>62,278,062</b>
<b>Total equity and liabilities</b>		<b>81,683,222</b>	<b>72,353,786</b>	<b>67,270,656</b>	<b>66,199,426</b>

Signed in accordance with a resolution of the Board.

  
 \_\_\_\_\_  
 Chairman

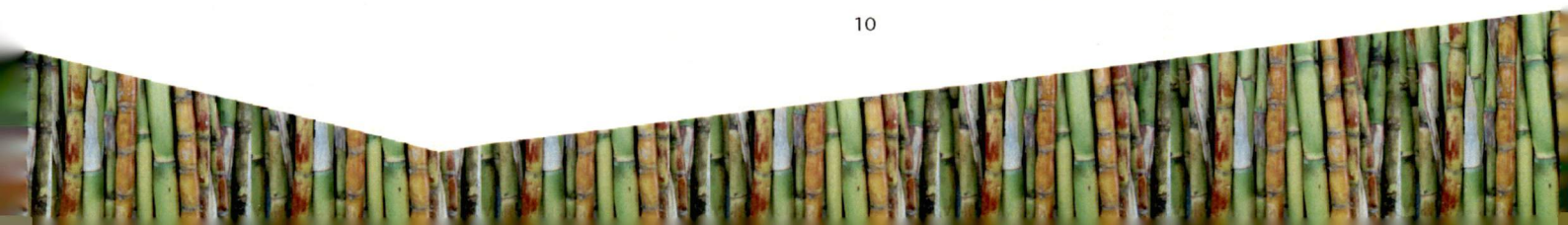
  
 \_\_\_\_\_  
 Board Member

The notes on pages 11 to 34 are an integral part of these financial statements.

**Sugar Cane Growers Fund and its Subsidiary**  
**Statements of cash flow**  
**For the year ended 31 December 2015**

	Note	Group 2015 \$	2014 \$	Fund 2015 \$	2014 \$
<b>Operating activities</b>					
Receipts from customers		17,757,593	17,552,905	26,062	10,734
Cash paid to suppliers and employees		(18,855,482)	(25,107,004)	(1,134,232)	(1,072,824)
Receipt of insurance claims		1,368,702	1,434,783		-
Loans to growers		(9,980,428)	(8,327,731)	(9,980,428)	(8,327,731)
Loans repaid by growers		8,031,443	8,796,429	8,031,443	8,796,429
Application fees received		31,532	27,004	31,532	27,004
Interest received		1,409,404	1,862,439	2,122,379	2,385,747
Receipt of Government Grants		-	5,000,000		-
<b>Net Cash (used in) / from operating activities</b>		<b>(237,236)</b>	<b>1,238,825</b>	<b>(903,244)</b>	<b>1,819,359</b>
<b>Investing activities</b>					
Dividend received		63,130	62,590	63,130	62,590
Acquisition of property, plant and equipment		(1,329,238)	(1,703,495)	(79,857)	(8,022)
Proceeds from disposal of property, plant and equipment		10,000	46,087	10,000	-
Loan repaid by South Pacific Fertilizers Limited		-	-	19,797,292	22,671,171
Loan to South Pacific Fertilizers Limited		-	-	(10,745,245)	(24,808,309)
Limited		(1,000,000)	-	(1,000,000)	-
Investment in term deposits		(3,500,000)	(2,000,000)	(3,500,000)	(2,000,000)
<b>Net Cash (used in) / from investing activities</b>		<b>(5,756,108)</b>	<b>(3,594,818)</b>	<b>4,545,320</b>	<b>(4,082,570)</b>
<b>Financing activities</b>					
Proceeds from borrowings from Government of Fiji		9,722,100	-	-	-
<b>Net Cash from financing activities</b>		<b>9,722,100</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase / (decrease) in cash and cash equivalents		3,728,756	(2,355,993)	3,642,076	(2,263,211)
Cash and cash equivalents at 1 January		6,584,011	8,940,004	6,414,955	8,678,166
<b>Cash and cash equivalents at 31 December</b>	10	<b>10,312,767</b>	<b>6,584,011</b>	<b>10,057,031</b>	<b>6,414,955</b>

The notes on pages 11 to 34 are an integral part of these financial statements.



# **Sugar Cane Growers Fund and its Subsidiary**

## **Notes to the financial statements**

**For the year ended 31 December 2015**

### **1. Reporting entity**

Sugar Cane Growers Fund (the "Fund") is a body corporate established in Fiji on 26 July 1984 under the Sugar Cane Growers Fund Act 1984. The address of its registered office and the principal place of business is located at 2nd floor, Sugar Cane Growers Council (SCGC) Building, 75 Drasa Avenue, Lautoka.

The consolidated financial statements of the Fund as at and for the year ended 31 December 2015 comprise the Fund and its subsidiary, South Pacific Fertilizers Limited (together referred to as the "Group").

The principal activity of the Fund as outlined under Sugar Cane Growers Fund Act 1984 Section 4, is to provide loans to sugar cane growers to increase production of sugar cane, improve efficiency in the planting, growing and transportation of sugar cane, rehabilitate farms, buildings and other installations damaged, destroyed or affected by floods, cyclones, droughts or other natural disasters, establish sugarcane farms and to construct buildings and other installations on those farms, crop diversification and to provide assistance to the personal family needs of growers during periods of financial distress or hardship and to benefit the cane growing industry.

The principal activity of the Subsidiary, South Pacific Fertilizers Limited (SPFL), during the year was importing bulk fertilizer, blending, packing and distributing to local markets. SPFL is incorporated in Fiji and its registered office is at Waterfront Road, Veitari, Lautoka.

### **2. Basis of preparation**

#### **(a) Statement of compliance**

The consolidated financial statements of the Group and the separate financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS), the provisions of the Fiji Companies Act, 1983 and the provisions of the Sugar Cane Growers Fund Act, 1984.

The financial statements were authorised for issue by the Board on 31/07/2017

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

The financial statements have been prepared on the historical cost basis except for other investments which are recorded at fair value. The statement of financial position has been prepared on a liquidity basis as it reflects the nature of Fund's operations.

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

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

# **Sugar Cane Growers Fund and its Subsidiary**

## **Notes to the financial statements**

### **For the year ended 31 December 2015**

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

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

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts 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 estimates are revised and in any future periods affected.

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

Note 3(d)	-	Impairment of loans to growers
Note 3(g)	-	Impairment of property, plant and equipment
Note 3(g)	-	Impairment of investment in subsidiary

##### **(e) New standards and interpretations not yet adopted**

A number of new standards and interpretations are issued but not yet effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Fund and the Group except for IFRS 9 Financial Instruments which becomes mandatory for the Fund's and the Group's 2018 financial statements. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

#### **3. Significant accounting policies**

The accounting policies have been applied consistently to all periods presented in the financial statements, and have been applied consistently by the Group entities.

##### **(a) Basis of consolidation**

###### Subsidiary

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has the right to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

###### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expense arising from intra-group transactions, are eliminated while preparing the consolidated financial statements.

###### Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

# Sugar Cane Growers Fund and its Subsidiary

## Notes to the financial statements

### For the year ended 31 December 2015

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

##### (b) Foreign currency

###### Foreign currency transactions

Transactions in foreign currencies are translated to Fiji dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Fiji dollars at the exchange rate at that date. The foreign currency gains or losses on re-translation are recognised in profit or loss.

Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

##### (c) Property, plant and equipment

###### Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. 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 gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) are recognised in profit or loss.

###### Subsequent costs

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

###### Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Freehold land is not depreciated.

# Sugar Cane Growers Fund and its Subsidiary

## Notes to the financial statements

### For the year ended 31 December 2015

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

##### (c) Property, plant and equipment (continued)

###### Depreciation (continued)

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Buildings	20 years
Furniture and fittings	5 - 15 years
Motor vehicles	4 years
Office equipment	4 years
Plant and equipment	4 - 10 years

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

##### (d) Loans to growers

###### Measurement

Loans to growers are measured at amortised cost less impairment losses.

###### Allowance for uncollectibility

A specific allowance for uncollectibility is brought to account where it is assessed that a particular loan is non-performing and has been long outstanding. The determination of the amount of the provision is based on many factors including credit evaluation of the borrowers, current economic conditions and past loss experience. Additions to the allowance for uncollectibility are charged to profit or loss for the current year.

###### Bad debts written off / recovered

Bad debts are written off against the allowance in the year in which the debt is recognised as being irrecoverable. Where not previously included in the allowance, bad debts are written off directly against profit or loss. Debts previously written off and subsequently recovered are written back to profit or loss in the year in which they are recovered.

##### (e) Financial instruments

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

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

# **Sugar Cane Growers Fund and its Subsidiary**

## **Notes to the financial statements**

### **For the year ended 31 December 2015**

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

##### **(e) Financial instruments (continued)**

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

The Group 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 ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group 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 Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets of the Group include loans and receivables, financial assets at fair value through profit or loss and held to maturity investments.

###### 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.

Loans and receivables comprise cash and cash equivalents, loans to growers, trade and other receivables, and advances to industry related parties.

###### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits with maturities of three months or less from the acquisition date.

###### Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Directly 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, including any interest or dividend income, are recognised in profit or loss.

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

###### Held to maturity financial assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Held to maturity investments comprises of investments in term deposits.

# **Sugar Cane Growers Fund and its Subsidiary**

## **Notes to the financial statements**

### **For the year ended 31 December 2015**

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

##### **(e) Financial instruments (continued)**

###### **(ii) Non-derivative financial liabilities**

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date the Group becomes a party to the contractual provisions of the instrument.

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

The Group 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 of trade and other payables.

##### **(f) Inventories**

Raw materials are valued at cost which is determined on the basis of individual shipments on a first-in-first-out basis. Finished products are valued at the lower of cost and net realisable value. Cost includes manufacturing expense and an appropriate portion of overhead expenditure and is determined on a first-in-first-out basis. Packaging materials are valued at lower of cost and net realisable value determined on a first-in-first-out basis.

##### **(g) 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 an impact on the estimated future cash flows of that asset that can be estimated reliably.

###### Loans and receivables measured at amortised cost

The Group considers evidence of impairment for loans and receivables on a specific asset basis. All individually significant receivables are assessed for specific impairment.

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 and receivables. Interest on the impaired asset ceases to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

# Sugar Cane Growers Fund and its Subsidiary

## Notes to the financial statements

### For the year ended 31 December 2015

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

##### (g) Impairment (continued)

###### (ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than 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.

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 or CGU. For the purpose of impairment testing, assets 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 CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### (h) Investments

Investments comprise investments in subsidiary company. Investments are stated at cost less allowance for impairment losses. A provision for impairment loss is made where, in the opinion of the directors, there is a permanent diminution in the value of the investment. When an event occurring after the impairment loss was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Any gain or loss on disposal of investment is recognised in the profit or loss.

##### (i) 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 as the related service is provided. A liability is recognised for the amount expected to be paid under short-term benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. Liabilities for non-accumulating and accumulating leave are measured at the rates paid or payable.

# Sugar Cane Growers Fund and its Subsidiary

## Notes to the financial statements

### For the year ended 31 December 2015

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

##### (j) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised at invoice value.

##### (k) Revenue recognition

###### (i) Interest income

Interest income is derived from loans issued to growers, industry related parties and term deposits of the Group and is recognised on an accrual basis.

Revenue from other operating activities are recognised in profit or loss on an accrual basis.

###### (ii) Sale of goods

A sale is recognised when products leave the warehouse for delivery to the customer. Sales are shown net of returns and trade allowances.

###### (iii) Government subsidy

Subsidy from the industry and the Government are recognised at their fair value where there is a reasonable assurance that the subsidy will be received and the entity will comply with all attached conditions.

##### (l) Income tax

###### (i) The Fund

The Fund is exempt from income tax under Section 15 of the Sugar Cane Growers Fund Act, 1984.

###### (ii) Subsidiary

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

# Sugar Cane Growers Fund and its Subsidiary

## Notes to the financial statements

### For the year ended 31 December 2015

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

##### (l) Income tax (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### 4. Financial risk management

##### Overview

The Group has exposure to the following risks:

- (i) credit risk;
- (ii) liquidity risk; and
- (iii) market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

##### Risk management framework

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

##### (i) Credit risk

Credit risk is the risk of financial loss to the Group if a grower or customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from growers, trade and other receivables, cash at bank and loan advances to industry related entities.

##### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the end of the reporting date was as follows:

	Note	Group		Fund	
		2015	2014	2015	2014
		\$	\$	\$	\$
Cash at bank	10	10,312,347	6,583,591	10,056,811	6,414,735
Loans to growers	14	24,117,017	22,119,320	24,117,017	22,119,320
Trade receivables	13	14,297,329	7,601,717	-	-
Other receivables	13	259,378	1,546,406	101,014	102,493
Advances to industry related parties	17	5,793,091	4,814,597	10,337,621	18,562,962
		<u>54,779,162</u>	<u>42,665,631</u>	<u>44,612,463</u>	<u>47,199,510</u>

# Sugar Cane Growers Fund and its Subsidiary

## Notes to the financial statements

### For the year ended 31 December 2015

#### 4. Financial risk management (continued)

##### (i) Credit risk (continued)

###### Loan to growers

The Board has established a credit policy under which each new grower is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The Group's review process includes production history, farm area and yield, when available, and in some cases bank references. Loan limits are established for each grower, which represents the maximum amount without requiring approval from the Board.

Under Section 17 of the Sugar Cane Growers Fund Act, 1984, loans to cane growers are secured by a first charge over cane proceeds except that such charge shall not take precedence over the repayment of any advances of whatsoever nature made to the cane grower or on his behalf by the Fiji Sugar Corporation Limited (FSC) pursuant to the Master Award under the Sugar Industry Act 1984.

The gross ageing of loans to growers as at the reporting date was as follows:

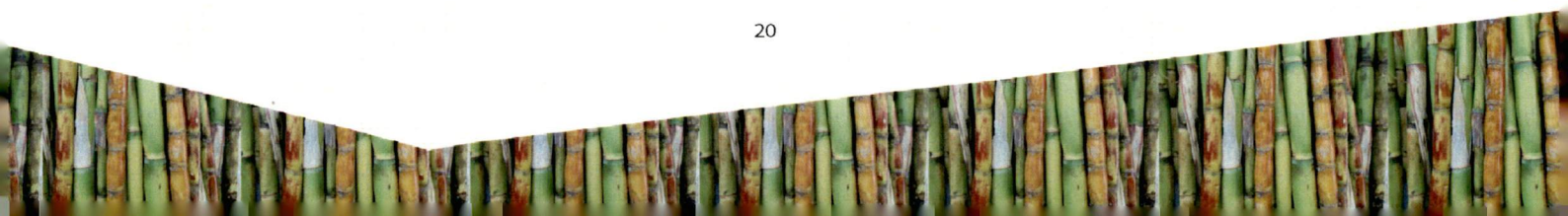
	<b>Group</b>		<b>Fund</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Not impaired	21,447,898	15,003,912	21,447,898	15,003,912
Past due 1 year	1,419,114	4,572,836	1,419,114	4,572,836
Past due 2 years	852,370	1,349,755	852,370	1,349,755
Past due 3 years	2,626,742	3,343,432	2,626,742	3,343,432
	<u>26,346,124</u>	<u>24,269,935</u>	<u>26,346,124</u>	<u>24,269,935</u>

The movement in the allowance for impairment in respect to loans to growers during the year was as follows:

	<b>Group</b>		<b>Fund</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Allowance for uncollectibility</u>				
Balance at 1 January	2,150,615	2,150,615	2,150,615	2,150,615
Provision created during the year	48,296	-	48,296	-
Balance at 31 December	<u>2,198,911</u>	<u>2,150,615</u>	<u>2,198,911</u>	<u>2,150,615</u>

###### Trade receivables

The credit controller assesses the credit quality of the customer, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the Board. The utilisation of credit limits are regularly monitored.



**Sugar Cane Growers Fund and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

**4. Financial risk management (continued)**

**(i) Credit risk (continued)**

Trade receivables (continued)

The ageing of trade receivables at the reporting date was as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Up to 3 months	6,286,323	1,602,819
3 to 6 months	8,021,336	6,009,228
	<u>14,307,659</u>	<u>7,612,047</u>

The movement in the allowance for impairment in respect to trade receivables during the year was as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<u>Allowance for uncollectibility</u>		
Balance at 1 January	10,330	10,330
Additional allowances made during the year	-	-
Balance at 31 December	<u>10,330</u>	<u>10,330</u>

**(ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities:

<b>31 December 2015</b>		<b>Contractual cash flows</b>			
	<b>Carrying amount</b>	<b>Less than 1 year</b>	<b>1 year to 2 years</b>	<b>More than 2 years</b>	
<b>Group</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
<u>Financial liabilities</u>					
Trade payables	268,404	268,404	-	-	
Other payables	817,083	817,083	-	-	
Borrowings, including deferred grant income	9,722,100	-	-	9,722,100	
	<u>10,807,587</u>	<u>1,085,487</u>	<u>-</u>	<u>9,722,100</u>	
<b>Fund</b>					
<u>Financial liabilities</u>					
Other payables	157,052	157,052	-	-	

**Sugar Cane Growers Fund and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

**4. Financial risk management (continued)**

**(ii) Liquidity risk (continued)**

31 December 2014	Contractual cash flows			
	Carrying amount \$	Less than 1 year \$	1 year to 2 years \$	More than 2 years \$
<b>Group</b>				
<u>Financial liabilities</u>				
Trade payables	183,482	183,482	-	-
Other payables	625,540	625,540	-	-
	<u>809,022</u>	<u>809,022</u>	<u>-</u>	<u>-</u>
<b>Fund</b>				
<u>Financial liabilities</u>				
Other payables	162,081	162,081	-	-
	<u>162,081</u>	<u>162,081</u>	<u>-</u>	<u>-</u>

**(iii) Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The following section summarises the Group's approach to managing these risks:

**(a) Foreign exchange risk**

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, AUD and NZD. The Group's exposure to foreign exchange risk is not significant.

**(b) Price risk**

The Group's exposure to commodity price risk is minimal.

**(c) Interest rate risk**

The Group has interest bearing assets and liabilities however, these are substantially independent of changes in market interest rates as the interest rates are fixed.



**Sugar Cane Growers Fund and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

	<b>Group</b>		<b>Fund</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>5. Finance income</b>				
Interest on priority loans	201,725	206,392	201,725	206,392
Interest on specialised loans	1,001,505	1,246,219	1,001,505	1,246,219
Interest on term deposits	114,929	81,226	114,929	81,226
Interest on South Pacific Fertilizers Limited loans	-	-	561,187	629,627
Interest on Fiji Sugar Corporation Limited loan	170,152	147,042	170,152	147,042
	<b>1,488,311</b>	<b>1,680,879</b>	<b>2,049,498</b>	<b>2,310,506</b>
<b>6. Other operating income</b>				
Application fees	31,532	27,004	31,532	27,004
Bad debts recovered	1,581	293	1,581	293
Dividend income - Unit Trust of Fiji	63,130	62,590	63,130	62,590
Gain on disposal of property, plant and equipment	10,000	46,087	10,000	-
Gain on remeasurement of investments to fair	107,913	53,957	107,913	53,957
Government subsidy (Refer to (a))	64,004	5,000,000	-	-
Insurance proceeds (Refer to (b))	453,312	2,350,173	-	-
Sundry income	89,830	23,810	19,597	22,501
	<b>821,302</b>	<b>7,563,914</b>	<b>233,753</b>	<b>166,345</b>

**(a) Government subsidy**

The subsidiary, South Pacific Fertilizers Limited, recognised a grant income of \$64,004 representing the benefit of the nil interest rate on government loan and disclosed it as other income for the year ended 31 December 2015.

In 2014, the Company obtained and recognised as income a government subsidy of \$5,000,000.

**(b) Insurance proceeds**

The subsidiary, South Pacific Fertilizers Limited, received an amount of \$521,309 (inclusive of VAT of \$67,997) on 15 May 2015 from its insurance broker (Marsh Limited) as settlement under the



**Sugar Cane Growers Fund and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

**7. Administrative and other operating expenses**

	<b>Group</b>		<b>Fund</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Advertising and promotion	8,888	18,017	4,088	5,497
Allowance for uncollectibility - loan to growers	48,296	134	48,296	134
- trade receivables	-	-	-	-
Auditor's remuneration - Fund audit	8,900	8,900	8,900	8,900
- Subsidiary audit (PWC)	11,000	10,500	-	-
- other services	6,533	11,100	-	5,250
Bank charges	6,525	7,316	3,851	3,819
Board members allowance	1,949	3,000	1,949	3,000
Board members expenses	945	266	945	266
Depreciation	169,353	202,458	32,265	76,794
Directors fees	35,493	38,673	-	-
Distribution expenses	1,357,102	1,331,823	-	-
Donation	965	521	-	-
Electricity and water	28,591	30,751	20,407	21,451
Entertainment	2,720	5,658	443	1,947
Fringe Benefit Tax	13,700	24,214	9,889	12,481
General expense	57,154	57,049	43,681	43,943
Hire charges	57,323	36,510	-	-
Impairment loss in investment in subs	-	-	-	-
Insurance	228,396	159,978	48,835	50,386
Legal fees	24,808	10,304	21,508	9,188
Loss on remeasurement of investments to FV	-	-	-	-
Motor vehicle expenses	100,635	103,310	34,527	44,701
Personnel expenses (refer Note 8)	1,051,339	951,798	748,664	658,078
Printing / photocopying and stationery	48,522	38,842	38,056	32,689
Professional fees	22,792	27,494	6,451	2,506
Rent and rates	114,441	118,446	93,886	93,794
Repairs and maintenance	20,639	19,860	9,836	4,359
Safety	3,704	7,554	-	-
Sanitary and grounds	10,938	9,426	-	-
Security services	66,365	84,312	-	-
Service fees	153,935	144,199	-	-
Telephone and telex	41,009	34,294	27,663	22,169
Travelling and accommodation	48,981	40,601	2,852	1,191
	<b>3,751,941</b>	<b>3,537,308</b>	<b>1,206,992</b>	<b>1,102,543</b>



**Sugar Cane Growers Fund and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

	<b>Group</b>		<b>Fund</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>8. Personnel expenses</b>				
Wages and salaries - cost of sales	229,139	250,763	-	-
Wages and salaries - administrative expense	649,985	625,135	522,568	504,577
Fiji National Provident Fund contributions	112,685	88,359	69,592	50,616
Key management compensation - short term benefits	264,764	211,420	137,651	81,127
Training and Productivity Authority of Fiji levy	11,388	11,061	6,336	5,935
Other staff costs	12,517	15,823	12,517	15,823
	<u>1,280,478</u>	<u>1,202,561</u>	<u>748,664</u>	<u>658,078</u>

**9. Income tax expense**

- (a) The amount of income tax expense attributable to operating profit / (loss) as shown in the statement of profit or loss and other comprehensive income differs from the prima facie income tax expense attributable to operating profit / (loss). The differences are reconciled as follows:

Profit / (loss) before tax	(669,130)	6,363,966	1,076,259	1,374,308
Prima facie income tax expense / (benefit) on operating profit at 20% (2014: 20%)	(133,826)	1,272,793	215,252	274,862
<u>Tax effect of:</u>				
- exempt income	(215,252)	(1,274,862)	(215,252)	(274,862)
- tax losses (brought) / not brought to account	253,068	(13,738)	-	-
- tax effect of timing differences not brought to account	90,278	11,809	-	-
- non-deductible expenses	5,732	3,998	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(b) Benefit of income tax losses not brought to account

Deferred tax assets are not recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is not probable. The subsidiary did not recognise deferred income tax assets of \$2,784,819 (2014: \$3,213,710) attributable to tax losses of \$13,924,096 (2014: \$16,068,548) that can be carried forward against future taxable income.

**10. Cash and cash equivalents**

Cash on hand	420	420	220	220
Cash at bank	10,312,347	6,583,591	10,056,811	6,414,735
Cash and cash equivalents	<u>10,312,767</u>	<u>6,584,011</u>	<u>10,057,031</u>	<u>6,414,955</u>

**Sugar Cane Growers Fund and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

	<b>Group</b>		<b>Fund</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>11. Other investments</b>				
<u>Unit Trust of Fiji</u>				
Units at fair value (refer Note 11(a))	1,641,943	1,534,030	1,640,288	1,532,375
Reconciliation of investment in Unit Trust of Fiji				
Balance at 1 January	1,534,030	1,480,073	1,532,375	1,478,418
Gain on remeasurement of investment to fair value	107,913	53,957	107,913	53,957
Balance at 31 December	1,641,943	1,534,030	1,640,288	1,532,375

a) Breakdown of investment in Unit Trust of Fiji

	<b>Units held</b>	<b>Fair value</b>	<b>Extended</b>
	<b>(unit)</b>	<b>per unit</b>	<b>value</b>
		<b>\$</b>	<b>\$</b>
Subsidiary	1,217	1.36	1,655
Fund	1,079,137	1.52	1,640,288
Group	1,080,354		1,641,943

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- level 2: inputs other than quoted prices included in level 1 that are observable for the assets or liability, either directly (as prices) or indirectly (derived from prices).
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group measures the fair value of the above investment using Level 1 of the fair value hierarchy.

	<b>Group</b>		<b>Fund</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>12. Held to maturity investments</b>				
Bank of Baroda	2,000,000	2,000,000	2,000,000	2,000,000
Merchant Finance Limited	2,500,000	1,000,000	2,500,000	1,000,000
Home Finance Limited	-	1,000,000	-	1,000,000
Bred Bank Limited	1,000,000	-	1,000,000	-
Kontiki Finance Limited	2,000,000	-	2,000,000	-
	7,500,000	4,000,000	7,500,000	4,000,000

The term deposits have an average interest rate of 3.3% (2014: 3.0%) and an average maturity of 365 days (2014: 365 days).

**Sugar Cane Growers Fund and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

	<b>Group</b>		<b>Fund</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>13. Trade and other receivables</b>				
Trade receivables	14,307,659	7,612,047	-	-
Allowance for uncollectibility	(10,330)	(10,330)	-	-
	14,297,329	7,601,717	-	-
Other receivables	259,378	1,546,406	101,014	102,493
	14,556,707	9,148,123	101,014	102,493
<b>14. Loans to growers</b>				
Secured loans to growers	23,638,058	20,581,994	23,638,058	20,581,994
Allowance for uncollectibility	(2,198,911)	(2,150,615)	(2,198,911)	(2,150,615)
	21,439,147	18,431,379	21,439,147	18,431,379
Cane Development Revolving Fund	2,677,870	3,687,941	2,677,870	3,687,941
	24,117,017	22,119,320	24,117,017	22,119,320
<b>15. Inventories</b>				
Raw materials	7,498,120	5,123,108	-	-
Packaging materials	235,079	365,023	-	-
Finished goods	2,704,431	2,183,343	-	-
Weedicide	1,153,216	2,544,590	-	-
Goods in transit	315,534	4,407,196	-	-
	11,906,380	14,623,260	-	-
<b>16. Prepayments</b>				
Prepayments - inventory	41,197	4,088,453	-	-
Prepayments - others	13,094	10,322	13,094	10,322
	54,291	4,098,775	13,094	10,322
<b>17. Advances to industry related entities</b>				
(i) Receivable from Fiji Sugar Corporation Limited	5,793,091	4,814,597	5,793,091	4,814,597
(ii) Receivable from South Pacific Fertilizers Limited	-	-	4,544,530	13,748,365
	5,793,091	4,814,597	10,337,621	18,562,962

# **Sugar Cane Growers Fund and its Subsidiary**

## **Notes to the financial statements**

### **For the year ended 31 December 2015**

#### **17. Advances to industry related entities (continued)**

##### **(i) Receivable from Fiji Sugar Corporation Limited (FSC)**

Amount receivable from FSC is unsecured. Interest is charged at the rate of 3.5% (2014: 4%). Loan repayments will be recovered from sugar proceeds from the 2015 season. Interest on this loan will be borne by the government.

##### **(ii) Receivable from South Pacific Fertilizers Limited (SPFL)**

Amount receivable from SPFL is secured and interest is charged at the rate of 5% (2014: 5%) per annum. Amount receivable from SPFL is secured as follows:

- First registered mortgage debenture over all assets and undertakings including uncalled and unpaid capital of the Company.
- First registered mortgage over certificate of title no. 25872 on freehold property situated at Veitari, Lautoka.

# Sugar Cane Growers Fund and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2015

### 18. Property, plant and equipment

Group	Land and buildings \$	Plant and equipment \$	Furniture and fittings \$	Office equipment \$	Motor Vehicles \$	Work in progress \$	Total \$
<b>Cost</b>							
Balance at 1 January 2014	7,507,718	4,997,560	380,786	301,408	1,515,869	1,101,610	15,804,951
Acquisitions during the year	-	-	-	8,022	-	1,695,473	1,703,495
Transfers	2,216,190	-	9,084	-	-	(2,225,274)	-
Disposals	-	-	(12,872)	-	-	-	(12,872)
Balance at 31 December 2014	9,723,908	4,997,560	376,998	309,430	1,515,869	571,809	17,495,574
Acquisitions during the year	-	-	2,495	18,362	59,000	1,249,381	1,329,238
Transfers	1,708,276	-	-	-	73,913	(1,782,189)	-
Disposals	-	-	-	-	(33,900)	-	(33,900)
Balance at 31 December 2015	11,432,184	4,997,560	379,493	327,792	1,614,882	39,001	18,790,912
<b>Depreciation</b>							
Balance at 1 January 2014	6,960,683	2,914,935	324,787	245,852	1,000,187	-	11,446,444
Depreciation charge for the year	39,686	290,580	10,771	23,732	265,563	-	630,332
Disposals	-	-	(12,872)	-	-	-	(12,872)
Transfers	-	-	-	-	-	-	-
Balance at 31 December 2014	7,000,369	3,205,515	322,686	269,584	1,265,750	-	12,063,904
Depreciation charge for the year	443,524	270,593	10,510	18,813	216,442	-	959,882
Disposals	-	-	-	-	(33,900)	-	(33,900)
Transfers	-	-	-	-	-	-	-
Balance at 31 December 2015	7,443,893	3,476,108	333,196	288,397	1,448,292	-	12,989,886
<b>Carrying amount</b>							
At 31 December 2014	2,723,539	1,792,045	54,312	39,846	250,119	571,809	5,431,670
At 31 December 2015	3,988,291	1,521,452	46,297	39,395	166,590	39,001	5,801,026

Out of the total depreciation of \$959,882 (2014: \$630,332), \$790,529 (2014: \$427,874) has been allocated to cost of sales and \$169,353 (2014: \$202,458) has

**Sugar Cane Growers Fund and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

**18. Property, plant and equipment (continued)**

<b>Fund</b>	<b>Furniture and fittings \$</b>	<b>Office equipment \$</b>	<b>Motor vehicles \$</b>	<b>Total \$</b>
<b>Cost</b>				
Balance at 1 January 2014	152,566	301,408	320,540	774,514
Acquisitions during the year	-	8,022	-	8,022
Disposal	(12,872)	-	-	(12,872)
Balance at 31 December 2014	139,694	309,430	320,540	769,664
Acquisitions during the year	2,495	18,362	59,000	79,857
Disposal	-	-	(33,900)	(33,900)
Balance at 31 December 2015	142,189	327,792	345,640	815,621
<b>Depreciation</b>				
Balance at 1 January 2014	134,282	245,852	270,014	650,148
Depreciation for the year	3,902	23,732	49,160	76,794
Disposal	(12,872)	-	-	(12,872)
Balance at 31 December 2014	125,312	269,584	319,174	714,070
Depreciation for the year	3,935	18,813	9,517	32,265
Disposal	-	-	(33,900)	(33,900)
Balance at 31 December 2015	129,247	288,397	294,791	712,435
<b>Carrying amount</b>				
At 31 December 2014	14,382	39,846	1,366	55,594
At 31 December 2015	12,942	39,395	50,849	103,186

	<b>Fund</b>	
<b>19. Investment in subsidiary</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<u>South Pacific Fertilizers Limited (SPFL)</u>		
Investment	14,951,296	14,951,296
Less provision for impairment	(1,549,891)	(1,549,891)
	<u>13,401,405</u>	<u>13,401,405</u>

SPFL is a Company domiciled in Fiji. The Fund's interest in SPFL is 90.6% with the remaining 9.4% owned by Sugar Cane Growers Council.

The principal activity of SPFL during the year was importing bulk fertilizer, blending, packing and distributing to local markets.

**Sugar Cane Growers Fund and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

	Group		Fund	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>20. Trade and other payables</b>				
Trade payables	268,404	183,482	-	-
Other payables	817,083	625,540	157,052	162,081
Payable - Cane Development Revolving Fund	3,693,289	3,693,289	3,693,289	3,693,289
	<u>4,778,776</u>	<u>4,502,311</u>	<u>3,850,341</u>	<u>3,855,370</u>

In 2011, the government advanced \$6m to Fiji Sugar Corporation (FSC) to set up a Cane Development Revolving Fund. The Fund is only the facilitator to process applications and make payments, while FSC identifies the growers and completes the application form. No funds were advanced from this account during the year.

	Group		Fund	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>21. Employee benefits</b>				
Balance at 1 January	65,994	61,976	65,994	61,976
Net movement during the year	-	4,018	-	4,018
Balance at 31 December	<u>65,994</u>	<u>65,994</u>	<u>65,994</u>	<u>65,994</u>
<b>22. Borrowings</b>				
Government loan	<u>4,389,390</u>	-	-	-

The subsidiary received a loan from the government of Fiji of \$9,722,100 as appropriated for in 2015 National budget. The loan is repayable by semi-annual instalments of \$243,000 commencing from 31 August 2020 for a term of 25 years, and no interest will be charged on the loan. A deferred grant income of \$5,332,711 representing the benefit of the nil rate of interest is recognised, and is measured as the difference between the present value of all future cash repayments over the term of the loan discounted using the prevailing market rate of interest for a similar instrument (which is estimated at 5.89%), and the proceeds received. The deferred government grant will be amortised and recognised in the statement of profit or loss and other comprehensive income as grant income on a systematic basis over the term of the government loan. Interest expense determined at the estimated market rate of interest of 5.89% will also be recognised in the statement of profit or loss and other comprehensive income over the term of the loan.

# **Sugar Cane Growers Fund and its Subsidiary**

## **Notes to the financial statements**

### **For the year ended 31 December 2015**

#### **23. Related parties**

##### **(a) Members of the Board of management**

The names of Board members in office during the year were as follows:

Mr Faizul Ariff Ali (appointed as Chairman on 19 January 2017)  
Mr Viliame Gucake (appointed as Chairman on 18 November 2015, resigned on 7 January 2017)  
Mr Parmesh Chand -(Chairman (appointed on 6 March 2015, resigned on 18 November 2015)  
Mr Filipe Alifereti -(Director (appointed on 6 March 2015, resigned on 18 November 2015)  
Mr Abdul Khan -(Member (appointed on 18 November 2015, resigned on 19 January 2017)  
Mr Timothy Brown -(Member (appointed on 18 November 2015)  
Mr David Veremo -(Member (appointed on 18 November 2015)  
Mr Sundresh Chetty -(Member (appointed on 18 November 2015)  
Mr Pradeep Lal -(Member (appointed on 19 January 2017)

Board members expenses are disclosed under Note 7.

##### **(b) Key management personnel**

Key management personnel includes the Chief Executive Officer of the Fund and the General Manager of the subsidiary, South Pacific Fertilizers Limited..

Key management compensation is disclosed under Note 8.

Transactions with key management are on terms that are no more favourable than those available, or which might be reasonably be expected to be available, on similar transactions to third parties at arm's length.

##### **(c) Identity of related parties**

South Pacific Fertilizers Limited is a subsidiary of the Fund.

Other related parties of the Fund include key stakeholders in the Fiji Sugar Industry, namely, the Government of Fiji, the Fiji Sugar Corporation Limited, Sugar Research Institute of Fiji and Sugar Cane Growers Council.

**Sugar Cane Growers Fund and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

**(d) Transactions with related parties**

During the year, the Group and the Fund entered into various transactions with related parties which were on normal commercial terms and conditions. The aggregate value of major transactions with related parties during the year are as follows:

	<b>Group</b>		<b>Fund</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Fiji Sugar Corporation Limited (FSC)</u>				
Advance to FSC	(1,000,000)	-	(1,000,000)	-
Interest received from FSC	170,152	147,042	170,152	147,042
Repayment by FSC	191,657	152,337	191,657	152,337
<u>Government of Fiji</u>				
Repayment of advances or interest on behalf of FSC	-	300,000	-	300,000
<u>South Pacific Fertilizers Limited (SPFL)</u>				
Additional advances to SPFL	-	-	(10,745,245)	(24,808,309)
Repayment by SPFL	-	-	20,510,627	23,194,479
Interest received from SPFL	-	-	561,187	629,627
<u>Sugar Cane Growers Council (SCGC)</u>				
Sale of weedicides	1,625,283	1,714,639	-	-

**24. Minority interests**

The following table summarises the information relating to South Pacific Fertilizers Limited that has non-controlling interests (NCI):

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>NCI percentage</b>	9.4%	9.4%
Current assets	26,659,006	27,926,399
Non-current assets	5,699,495	5,377,731
Current liabilities	(2,885,850)	(11,943,693)
Non-current liabilities	(12,273,023)	(2,415,420)
<b>Net assets</b>	<b>17,199,628</b>	<b>18,945,017</b>
<b>Net assets attributable to NCI</b>	<b>1,616,764</b>	<b>1,780,831</b>
Sales	20,076,804	19,916,331
Gross profit / (loss)	837,202	656,481
Other comprehensive income	-	-
<b>Total comprehensive profit / (loss)</b>	<b>(1,745,389)</b>	<b>4,989,658</b>
<b>Profit / (loss) allocated to NCI</b>	<b>(164,067)</b>	<b>469,028</b>
<b>OCI allocated to NCI</b>	<b>-</b>	<b>-</b>

**Sugar Cane Growers Fund and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

	2015	2014
	\$	\$
<b>24. Minority interests (continued)</b>		
Net cash used in operating activities	666,008	(349,281)
Net cash used in investing activities	(1,249,381)	(1,649,386)
Net cash from financing activities	670,053	1,905,885
Net (decrease) / increase in cash and cash equivalents	<u>86,680</u>	<u>(92,782)</u>

**25. Capital commitments and contingencies**

The Group and the Fund did not have any contingent liabilities as at balance date which require an adjustment to or disclosure in the financial statements. However, the Fund has guaranteed the provision of financial assistance to the subsidiary as and when it is required to enable the subsidiary to continue operations and fulfill its financial obligation for a period of 12 months from the date of signing these financial statements.

**26. Capital risk management**

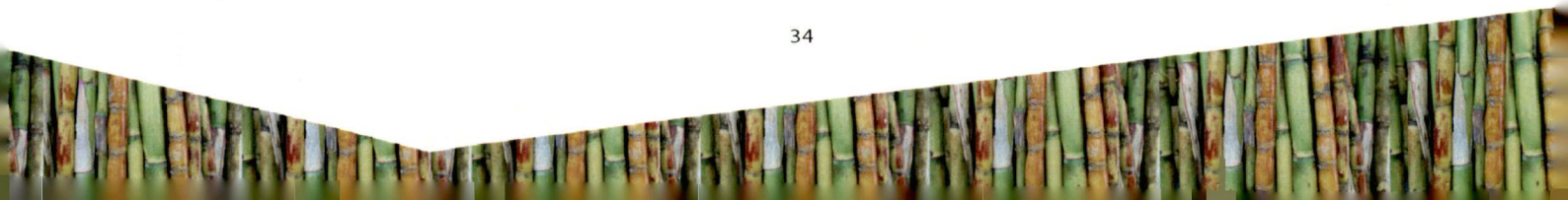
The Group and the Fund's objectives when managing capital is to safeguard the assets especially loans to growers from possible impairment and to ensure that enough cash is available for future loans for the benefits of the stakeholders in the sugar industry.

The subsidiary's objectives when managing capital are to safeguard the Group and the Fund's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group and the Fund may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the subsidiary monitors capital on the basis of the gearing ratio.

**27. Events subsequent to balance date**

The subsidiary's plant and storage facility sustained damages due to cyclone Winston on 20th February 2016. The estimated cost of damages and stock loss is estimated at \$1.5 million. A claim for the damages due to cyclone Winston and stock loss has been lodged with the Company's insurers.

Apart from the above matter and other matters specifically referred to in the financial statements, 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 Board, to affect significantly the operations of the Group and the Fund, the results of those operations or the state of affairs of the Group and the Fund in subsequent financial years.



Sugar Cane Growers Fund  
2nd Floor  
Sugar Cane Growers Council Building.  
75 Drasa Avenue, Lautoka  
P.O. Box 13, Lautoka  
Phone: 665 0777 / 665 0280  
Fax: 665 0768

