

# 2014

## Annual Report

Sugar Cane |||  
||| Growers Council

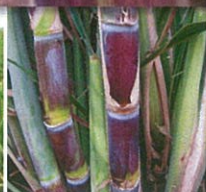
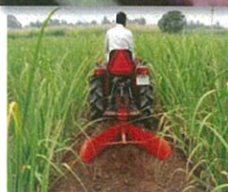


## OUR VISION

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

## OUR MISSION

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





### OUR GOALS

- To effectively represent the interest of the cane growers as stakeholders in all aspects of the industry.
- To actively pursue and encourage the development of a sustainable and viable sugar industry.
- To take necessary measures to provide services to the cane growers to better facilitate their cane farming activities.
- To explore ways and means to reducing cost and increasing productivity and 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.





ORGANISATION PROFILE

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

The Council is currently an Administrative body for the growers, managed by the Chief Executive Officer Mr. Sundresh Chetty with assistance from Head office and district office staff in the eight cane growing districts.

On a timely basis the present Administrative Arm of the Council reports to the Ministry of Sugar

GROWERS UPDATE

There are about 16,395 active growers running small family cane farms with majority producing less than 200 tonnes per year. Some 10 years ago, the Sugar Industry used to comprise of over 21,000 cane growers but the numbers gradually declined as land leases comprising the farms for many growers expired and were not renewed. Many others voluntarily moved out of cane farming when their profit reduced as a result of increasing cultivation, harvesting and transportation costs.

Over the years many growers have moved to urban centers in the quest of easier and better jobs. Nowadays most of the plots are cultivated by a middle-aged generation of growers in their fifties and sixties; while their children have left to attend universities and/or to seek greener pastures in cities with goals of getting white collar jobs locally or internationally. Current growers belonging to this age group feel insecure as there is the feeling that their farm will be lost upon their diminish.

Most growers' plant and harvest manually often using hired laborers (casual workers). While mechanization is not well developed, there is an urgency to encourage and develop mechanization. However, although interests have been shown to invest in purchasing mechanical harvesters, the greatest challenge to this development is the size of farm plots to facilitate the mechanical harvesters. Also, another challenge is income diversification is not very developed and other crops are mainly grown for self consumption.

SUMMARY OF GROWERS AND GANGS

DISTRICT	NO. OF SECTOR	NUMBER OF GROWERS	NUMBER OF GANGS
LAUTOKA	5	2090	84
NADI	6	2151	89
SIGATOKA	3	1137	50
BA	7	3642	69
TAVUA	3	1640	54
RAKIRAKI	3	1712	75
LABASA	7	3379	92
SEAQAQA	3	644	65
TOTAL	<u>38</u>	<u>16395</u>	<u>578</u>





ACTIVITIES REPORT 2014

The Chief Executive Officer and Staff of Sugar Cane Growers Council takes pleasure in presenting its 2014 Report of Activities that includes the Audited Financial Statement for the year ended 31<sup>st</sup> December 2014.

**1. WEATHER**

2014 rainfall distribution reveals that the highest rainfall was recorded in Penang Mill with 2176mm of rain received for 157 days. Labasa recorded the second highest with 1679 mm of rain, followed by Lautoka Mill with 1541 while Rarawai Mill recorded the lowest rainfall of 1250mm on 102 days.

While the months of August and September recorded little rainfall, this was good for cane planting and cultivation. However it became a challenge to the smooth harvesting and delivery of cane which resulted to the short supply of cane to mills during wet periods.

The following is the rainfall record from January 2014 to December 2014

**Table 1.1 Monthly Rainfall (mm) 2014**

	L A U T O K A		R A R A W A I		L A B A S A		P E N A N G	
MONTH	RAIN	RAINFALL	RAIN	RAINFALL	RAIN	RAINFALL	RAIN	RAINFALL
	DAYS	(MM)	DAYS	(MM)	DAYS	(MM)	DAYS	(MM)
January	15	310	12	322	22	293	21	354
February	18	300	21	256	20	405	23	483
March	11	196	15	186	25	183	21	242
April	8	194	10	85	9	125	11	124
May	5	203	3	145	8	88	15	207
June	4	10	3	4	2	14	8	42
July	4	7	3	5	5	18	6	24
August	0	0	0	0	2	2	10	16
September	3	30	4	6	1	6	1	0
October	10	53	12	46	19	275	12	99
November	8	37	8	57	12	116	9	65
December	12	201	11	138	16	154	20	520
Total	98	1541	102	1250	141	1679	157	2176
Average		237		192		258		335

Source: SRIF, Lautoka





## 2. 2014 PRE CRUSH

While the Council and Corporation had jointly declared an estimate crop of 1,857,420 tonnes for the 2014 season, this did not eventuate and as the season unfolded, the crop was revised to 1,772,910 tonnes.

**Table 2.1**

Mill	2014 Season (Pre Crush)	2014 Season (Actual)	Variance (+/-)
Lautoka	484,600	554,213	69,613
Rarawai	580,820	552,546	-28,274
Labasa	612,000	544,348	-67,652
Penang	180,000	180,571	571
All Mill	1,857,420	1,831,678	-25,742

**Table 2.2**

Mill	Total Crop	Crushed	Stand over
Lautoka	484,600	554,213	3,005
Rarawai	553,606	552,546	1,060
Labasa	551,216	544,348	6,868
Penang	182,351	180,571	1,780
All Mill	1,846,921	1,831,678	12,713

**Table 2.3 Cane crushed between 2007 to 2014**

District/ Mill	2007	2008	2009	2010	2011	2012	2013	2014
Lautoka	315,017	325,341	300,815	216,986	281,071	209,240	177,396	229,365
Nadi	302,266	316,920	318,535	229,730	262,212	213,783	169,638	247,193
Sigatoka	123,947	128,308	106,696	80,750	100,258	67,439	58,619	77,655
Lautoka Mill Total	741,230	770,569	726,045	527,466	643,521	490,462	405,652	554,213
Rarawai	541,493	521,136	472,339	378,061	484,243	325,115	360,996	434,458
Tavua	196,984	211,016	187,091	142,427	189,199	140,205	137,830	118,088
Rarawai Mill Total	738,477	732,152	659,430	520,488	673,442	465,320	498,826	552,546
Labasa	566,948	433,486	505,195	417,832	425,284	313,973	429,243	418,106
Seaqaqa	202,199	170,830	174,402	136,742	145,187	99,310	116,911	126,242
Labasa Mill Total	769,147	604,316	679,597	554,574	570,471	413,283	546,154	544,348
Penang Mill Total	229,840	214,746	181,650	175,486	208,307	177,832	159,720	180,571
GRAND TOTAL	2,478,694	2,321,783	2,246,722	1,778,014	2,095,741	1,546,897	1,610,353	1,831,678

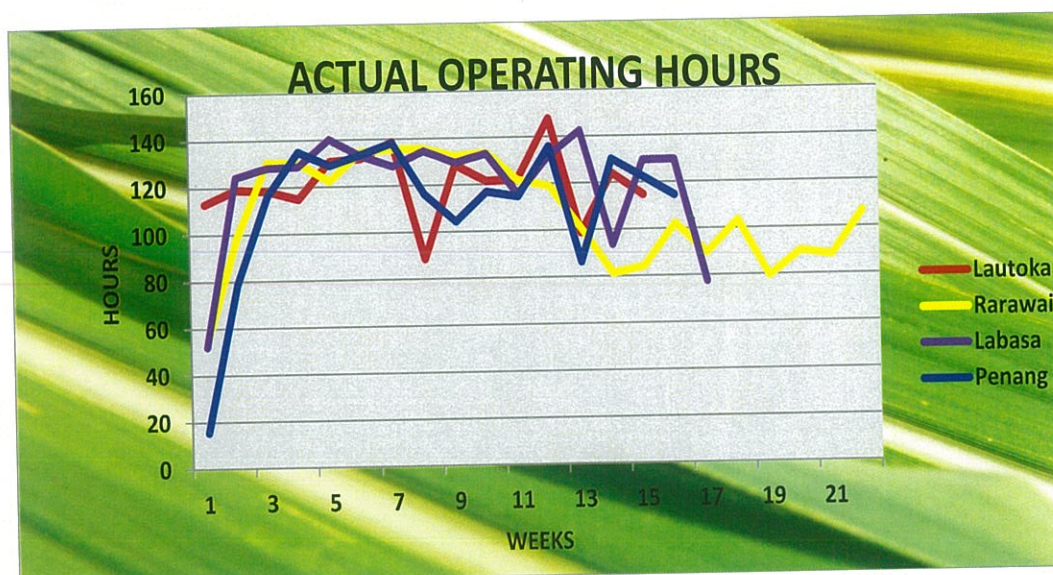
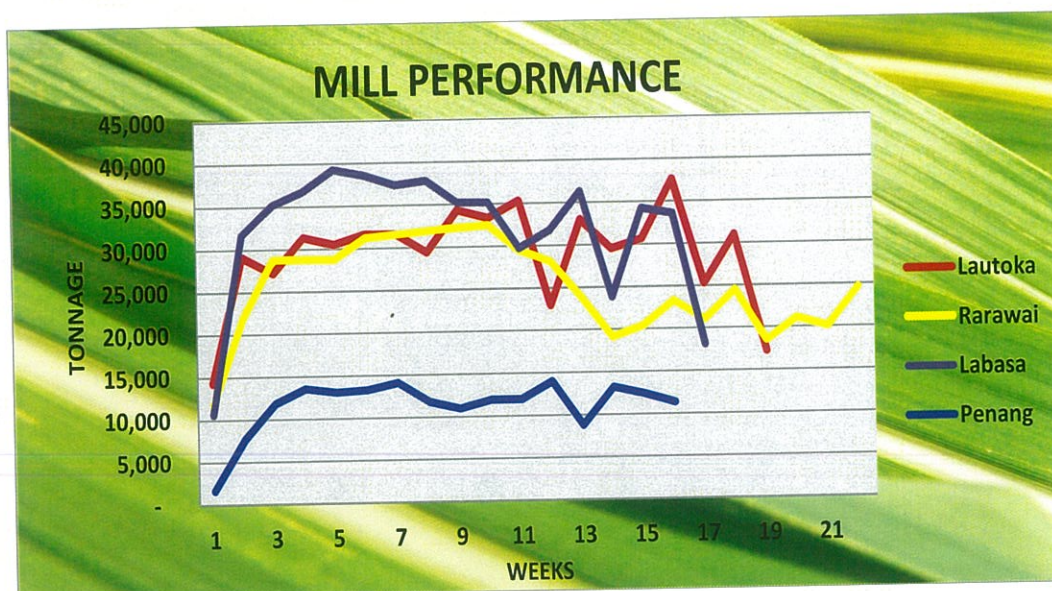




**Table 2.4 Season Length & Average Weekly Crush in 2014**

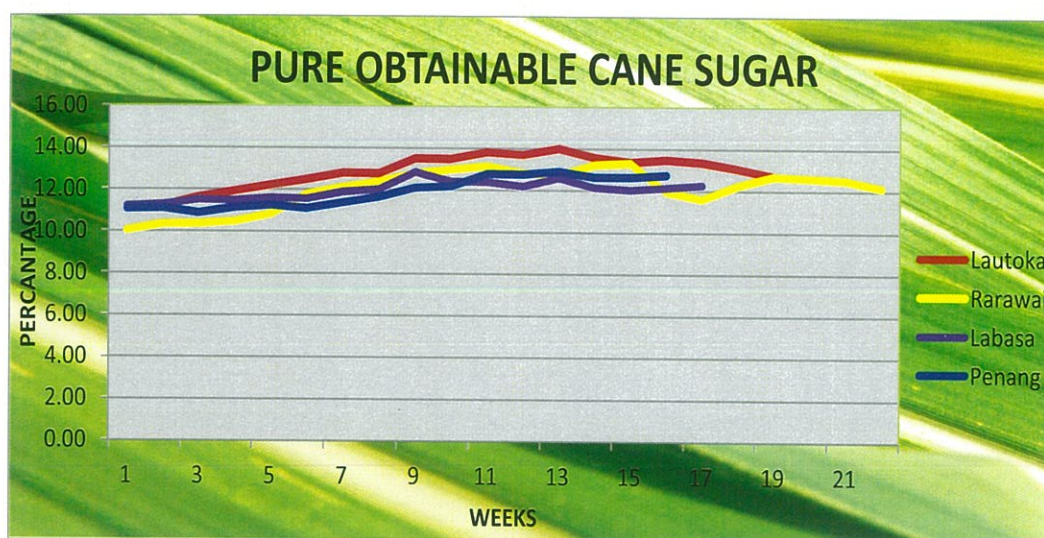
Mill	Cane (Tonnes)	Start Date	Termination Date	No. of Wks	Average Wkly Crush (Tonnes)
Lautoka	554,213	04/07/14	13/11/14	19	29,169
Rarawai	552,546	19/06/14	17/11/14	22	25,115
Labasa	544,348	18/06/14	11/10/14	17	32,020
Penang	180,571	27/06/14	11/10/14	16	11,285
Total	1,831,678				

### 3. MILL PERFORMANCE





#### 4. CANE QUALITY AND SUGAR PRODUCTION



The above graph illustrates Lautoka Mill recording the highest sugar content (POCS) in cane and also the best Tonnes Cane to Tonnes Sugar (TCTS) ratio for the 2014 season.

The POCS shows Lautoka Mill recording 12.91%, then Rarawai with 12.10%, followed by Labasa with 11.97% and Penang Mill recording the lowest with 11.92%. The average POCS for all the Mills was 12.22%. On the other hand, the TCTS results showed Lautoka Mill recording the lowest with 7.7 tonnes, below Labasa with 8.1 tonnes, then Rarawai with 8.3 tonnes and Penang recording the highest with 8.6 tonnes. The annual average TCTS for all the 4 mills stood at 8.17 tonnes.

**Table 4.1 Cane Quality and Sugar Production 2014**

	Cane	Sugar	Molasses	POCS	TCTS	Cane	Burnt
Mill	(Tonnes)	(Tonnes)	(Tonnes)			Purity %	Cane %
Lautoka	554,213	71869	23997	12.91	7.7	82.6	54.3
Rarawai	552,546	66255	23968	12.10	8.3	82.4	43.4
Labasa	544,348	67196	21528	11.97	8.1	14.0	23.3
Penang	180,571	20907	6906	11.92	8.6	81.1	29.8
TOTAL	1,831,678	226,227	76,399	48.90	32.7	65.0 (Average)	37.7 (Average)

**Table 4.2 Pure Obtainable Cane Sugar & Tonne Cane Tonne Sugar**

	2010 SEASON		2011 SEASON		2012 SEASON		2013 SEASON		2014 SEASON	
Mill	POCS	TCTS	POCS	TCTS	POCS	TCTS	POCS	TCTS	POCS	TCTS
Lautoka	10.7	10.7	10.19	14.8	10.87	12.2	9.58	13.6	12.91	7.7
Rarawai	10.8	11.3	9.93	15	9.9	15.5	9.84	11.4	12.10	8.3
Labasa	10.99	11.8	10.75	12.2	10.19	14.5	10.02	13.0	11.97	8.1
Penang	10.54	10.8	10.62	10.2	10.58	11.2	9.63	12.7	11.92	8.6
Average	10.79	11.2	10.37	13.4	10.36	13.5	9.79	12.6	12.22	8.8





**Table 4.3** Percentage of Green and Burnt Cane Crushed

MILL	GREEN CANE	PERCENTAGE	BURNT CANE	PERCENTAGE
LAUTOKA	235,890	45.34	284,375	54.66
RARAWAI	298,891	50.12	297,461	49.88
LABASA	423,244	77.75	121,110	22.25
PENANG	123,199	71.96	48,015	28.04
TOTAL	1,081,224	61.29	750,961	38.70

## 5. HARVESTING GANG PERFORMANCE

The 2014 harvesting season began at Rarawai Mill on the 18<sup>th</sup> June; followed by Rarawai Mill on the 19<sup>th</sup> June; then Penang Mill on 27<sup>th</sup> June; with Lautoka Mill being the last on 1<sup>st</sup> July.

Harvesting Gangs were challenged to consistently supply cane to the Lautoka Mill because of its above expectation in crushing.

Over the years, manpower shortage has always caused delay to harvesting of farmers cane and the Fiji Correctional Services have been stepping in to ease the burden in engaging the prisoners in harvesting cane.

The weekend short supply of cane is still a major issue as gangs with indigenous Fijian cane cutters would cease operation on Sundays resulting in cane supply during the weekend being low.



## 6. OTHER GROWERS SERVICES

Services provided by the Council to growers range from the simple sale of files and cane knives to the more complex task of lobbying Government to extend the implementation of the Cane Quality Payment





System. This often saves growers money and time and allows growers to concentrate more on their farms.

Although changes were made to operations of the Council, the Administrative Arm continues to serve the interest of the registered cane growers. So while the Council has been reduced in its man-power, the types of services offered to the growers have increased with many growers benefiting from these services directly and/or indirectly.

Some of the key services provided by Council on a district by district basis during the year are shown below.

## GROWERS SERVICE AS AT 31ST DECEMBER 2014

GROWERS SERVICES FOR THE YEAR 2014									
	RAKIRAKI	TAVUA	BA	LAUTOKA	NADI	SIGATOKA	LABASA	SEAQAQA	TOTAL
Weedicide Sales	1,921	1,694	13,594	7,907	8,434	1,030	4,159	1,168	39,907
Income Tax Return	225	205	521	285	294	135	1,671	577	3,913
Substitute Agreement	246	405	560	266	178	83	562	210	2,510
MOGA	157	92	182	129	227	45	403	145	1,380
Increase Harvesting Rates	121	100	354	2	96	28	209	248	1,158
Lorry Wheel Tax	78	71	214	187	101	17	212	132	1,012
Cane Planting Program	0	0	970	0	0	0	0	0	970
Cane Payment	212	38	22	2	127	80	163	131	775
Cane Access Road	90	141	21	6	2	8	105	207	580
Knife Sale	87	0	138	63	148	19	56	0	511
Individual Harvesting	212	107	10	0	0	1	4	0	334
Additional Ticket Book	0	15	0	0	0	0	115	135	265
VAT returns	2	5	0	6	1	6	98	140	258
COR amendment	26	26	80	3	2	15	26	3	181
New Registration	18	20	57	6	5	19	47	4	176
Substitute Dispute	0	1	17	10	28	17	56	37	166
Burnt Cane	43	17	25	37	6	0	20	0	148
Legal Services	16	28	13	28	18	8	17	8	136
Transfer of Registration	11	7	70	18	29	0	0	0	135
Gang Disputes	0	42	27	1	12	12	14	0	108
COR replacement	10	26	12	12	13	0	28	0	101
Gang Matters	67	3	0	0	0	4	20	0	94
Land Rent Appeal	2	34	41	0	0	0	7	0	84
Land rent object	28	19	18	2	0	0	4	0	71
Gang Meeting	44	1	1	0	0	0	3	0	49
Crop Damage	14	8	9	5	12	0	0	0	48
Gang Rationalization	28	6	8	0	0	0	0	0	42
Drainage	6	5	3	5	0	0	0	0	19
Split Registration	5	2	0	2	0	0	0	4	13
Bond	1	2	4	0	0	0	0	0	7
Drought	0	3	1	0	0	0	0	0	4
General Services	1,807	1,207	2,483	1,554	2,009	772	2,432	2,044	14,308
Total	5,477	4,330	19,455	10,536	11,742	2,299	10,431	5,193	69,463





## 7. LEGAL SERVICES

Although the SCGC had initially established a legal department on 3<sup>rd</sup> February, 2003, this was stopped sometime in 2009 through a directive issued by the Judicial Department. However, sometime in August, 2014, the legal department reopened its doors and legal services to the growers continued again.

SCGC continues to provide a wide range of legal services to the growers at an affordable cost with the aim of the Management to operate the legal services on a user pay concept to avoid any unnecessary financial burden on all growers.

LEGAL SERVICES REPORT FROM 2 <sup>ND</sup> JANUARY 2014 TO 31 <sup>ST</sup> DECEMBER 2014									
DOCUMENTS	RAKIRAKI	TAVUA	BA	LAUTOKA	NADI	SIGATOKA	LABASA	SEAQAQA	TOTAL
P/Attorney	1	8	8	11	4	4	1	2	39
R/P/Attorney	2	2	3	4	0	1	1	0	13
Wills	10	6	2	8	9	3	11	5	54
Agreements		5		5	2		2	1	15
Transfer		2							2
Transmission By Death	1				2		1		4
Probate		1							1
Letters of Administration	2	1							3
R/Death									
D/Mortgage /Bill of Sale							1		1
Provisional Title									
R/New C.T.		3			1				4
Total	16	28	13	28	18	8	17	8	136

## 8. WEEDICIDE SALES

The Council continues to facilitate the sale of the following types of weedicides to growers within its district offices at cost with marginal handling charges:-

- Glyphosate 360 ( 5 litres )
- Amine 720 (5 litres )
- Diuron 80 (1 kg pack)
- Valpar King (1 kg pack)

All of the above weedicides and agro-chemicals are available from the South Pacific Fertilizers Company Limited and are made accessible to all cane growers from the SCGC district offices and towns.





The easy access to these weedicides from SCGC district offices was made possible through an agreement between the SCGC and FSC sometime in December 2011 on a credit basis from the Council's 8 district offices. This arrangement has financially assisted growers and has gained momentum when more growers were seen taking advantage of this credit opportunity thus reducing cash handling for growers and offices as well.

## SALES BY DISTRICT

DISTRICT	DIURON 800		GLYPHOSATE 360		AMINE 720		VALPAR KING		TOTAL (\$)
	Quantity	Amount (\$)	Quantity	Amount (\$)	Quantity	Amount (\$)	Quantity	Amount (\$)	
Rakiraki	4,610	99,115	1,215	8,593	2,748	116,248	170	5,815	269,771
Tavua	2,578	55,427	1,088	4,224	2,293	97,222	69	2,369	199,242
Ba	6,964	149,726	2,255	1,803	5,839	247,736	302	10,381	499,646
Lautoka	4,294	92,321	1,741	9,359	2,658	113,830	141	4,821	280,331
Nadi	4,818	103,587	1,818	72,300	2,970	126,890	194	6,520	309,297
Sigatoka	1,361	29,262	800	1,758	1,215	52,180	9	302	113,501
Labasa	4,357	93,676	2,725	109,423	2,871	124,214	153	5,187	332,499
Seaqaqa	1,496	32,164	745	29,731	967	41,758	86	2,920	106,573
TOTAL	30,478	655,277	12,387	497,191	21,561	920,078	1,124	38,313	2,110,859

## 9. KNIFE/ FILES / HAND GLOVE SALES

The introduction of the sale of knives, files and hand gloves to growers by SCGC in the 2008 season was a success and the demand grew over the years. For the year 2014 a total number of 8,100 sets were sold.

## SALES BY DISTRICT

DISTRICT	RAKIRAKI	TAVUA	BA	LAUTOKA	NADI	SIGATOKA	LABASA	SEAQAQA	RPCPA	TOTAL
QUANTITY	157	238	264	105	148	39	147	2	7,000	8,100
AMOUNT (\$)	2,826.00	4,284.00	4,752.00	1,890.00	2,664.00	702.00	2,646.00	36.00	126,000.00	145,800.00

## 10. GROWERS RICE SUPPLY

A Memorandum of Understanding was signed between the Fiji Sugar Corporation, the SCGC and the supplier to deliver rice through South Pacific Fertilizers Ltd. SPFL provided efficient service at affordable costs.





## 11. FERTILIZER

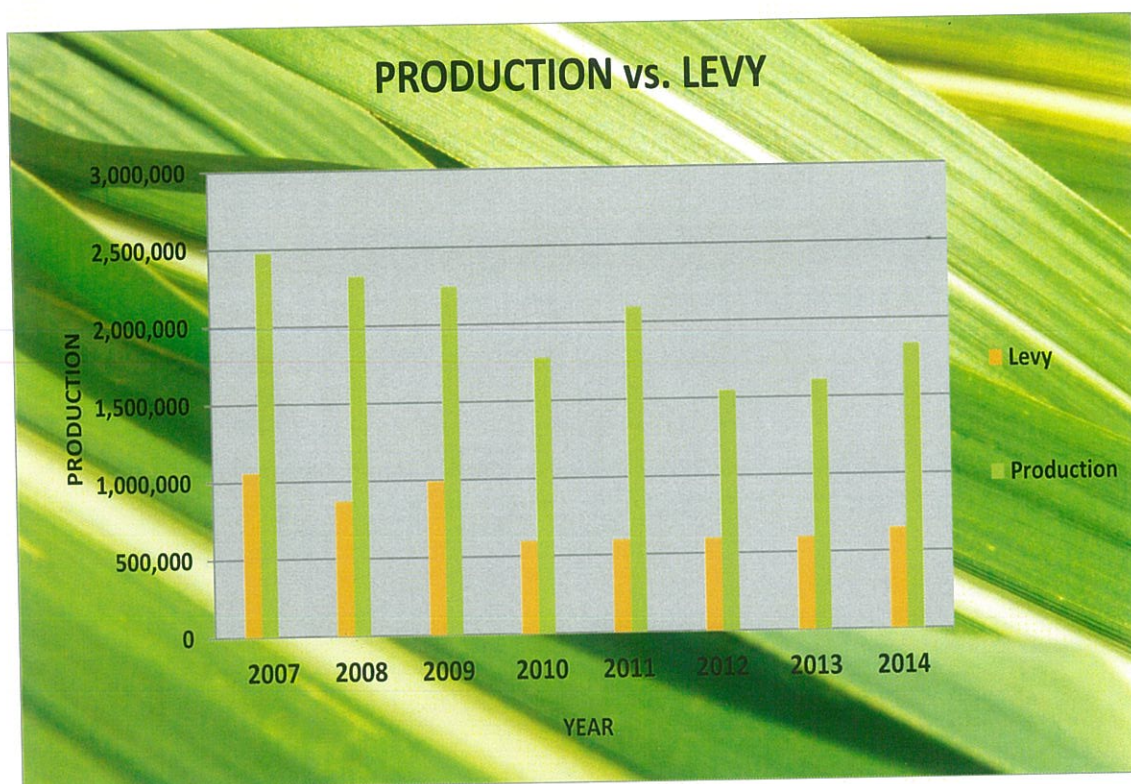
The issue regarding the fertilizer price continues to be a debated topic amongst growers meetings. While the price of fertilizer remains at an all time high of \$45.59 per bag, growers are very fortunate that Government assisted in the subsidizing of fertilizer by \$14.09 per bag and the grower pay the rate of \$31.50 a bag.

## 12. LTA CONCESSIONS

The Council through its role to various Cane Lorry Associations have successful negotiated for concessions from LTA on regulations concerning cane lorries for the wavier waiver of wheel tax; reduction in road user levy; and other minor infringements. Lorry Association members are mostly growers and these costs has been very high compared to the income for the six monthly operations during crushing.

## 13. SCGC LEVY

YEAR	2007	2008	2009	2010	2011	2012	2013	2014
Levy	\$1,058,538	\$870,879	\$992,691	\$600,000	\$600,000	\$600,000	\$600,000	\$650,000
Production	2,478,853	2,321,783	2,246,722	1,778,014	2,095,741	1,546,897	1,608,546	1,831,678
Levy/ tonne	\$0.42	\$0.38	\$0.44	\$0.34	\$0.29	\$0.39	\$0.37	\$0.35





**14. SUGAR SHIPMENTS 2014****2014 SHIPMENT DETAILS****Sugar**

Vessel Name	Date Sailed	Destination	Quantity
Lambi	27/08/14	UK	31,900
Nelson	24/08/14	USA	10,400
Furness Portland	19/09/14	UK	32,676
Ken Kon	01/11/14	UK	31,900
Wulin	23/12/14	UK	35,236

Two more shipments of 70,000mt are yet to take place in May and June 2015.

**Molasses**

Vessel Name	Date Sailed	Destination	Quantity
Siteam Voyager	16/08/14	Taiwan	35,000
Atlantic Eagle	22/10/14	USA	31,938

**Mill Sugar Production 2014**

Lautoka	Rarawai	Labasa	Penang	Total
71,869	66,742	67,338	20,910	226,859

**15. GROWERS AWARENESS PROGRAMME**

The Council continues to hold Awareness Programme with the growers where they were given the opportunity to personally express and raise their grievances in this program. Majority of the issues raised centered on the expiry of land leases; cane access roads; road tax levy; and other sugar related matters.





## **16. CANE DEVELOPMENT REVOLVING FUND (CDRF)**

Government in the past years provided \$6m for Cane Development project with the aim of increasing cane production. However, grants handed out seemed futile as there was no significant increase in crop production. This resulted in the Stakeholders deciding to turn the grant into a revolving fund to enable growers interested to plant cane to get interest free loan. This allowed growers to have some sense of ownership since the loan would be recouped slowly and the funds could be reutilized.

It was also decided that a further \$3m was to be allocated by the SCGF and that this entire fund was to be controlled by the stakeholders. Criteria was set up whereby a minimum of \$1000 per acre or \$2500 per ha was provided to a grower on an interest free loan via the SCGF. There were other conditions attached which was to be overseen by all the stakeholders who were tasked to play different roles in the successful management of CDRF. SCGC was tasked with following up on compliance for the cultivation of different cane varieties; certification of land preparation/ planting; and the monitoring of field activities.

Subsequent to the two floods occurring in 2012, the stakeholders met and revised the criteria whereby deciding that growers would be given \$1,000.00 per acre under CDRF cane planting program of which \$500.00 would be loan repayable within the next 5 years; while \$500.00 would be granted to assist growers rehabilitate. Many growers took advantage of this and replanted their ageing ratoon with new cane.

## **17. LAND ISSUES AND SOLUTIONS**

### **Dialogue and Negotiations with TLTB and Department Of Lands**

The Council is engaged in regular meetings, consultations and negotiations with the iTaukei Lands Trust Board and the Department of Lands and Mineral Resources regarding expiry of Land leases.

The renewal of expired cane land leases is the most affected one. TLTB intend to surrender the lease three (3) to five (5) years before the actual expiry date of the lease for renewal. This is the best option that the TLTB and Lands Department can offer to enable the grower to continue cultivating cane while they renew the lease. However this once again takes a lot of time when the sitting tenant has to clear all outstanding debt or land rent arrears before it can be processed. It is further complicated when there is a change in name when relatives (son) taking over the farm.

Typical and a successful event when the SCGC start negotiating with TLTB South West division on the fate of the 72 cane growers in Nawaicoba sector whose land leases would expire in 2017. The incentive taken was to avoid drop in cane production to affected growers when approaching 2017. These growers harvest 20,000 tonnes annually. With TLTB, the best option was for the farmers to surrender their leases and seek for renewal before 2017. After a joint meeting with the affected cane farmers, TLTB then approached the Land Owning Unit of Yako village, Yavusa Leweivunaniu for further discussion in regards to the expiry leases. After a month of negotiation, the 71 cane growers and the SCGC were thankful to stakeholders including the Land Owning Unit for their willingness to renew all the affected land leases before the expiry year of 2017.

Regular follow up of land issues with TLTB and Department of Lands are done almost on a daily basis.





### **18. INTERNATIONAL SUGAR ORGANISATION (ISO) CONFERENCE**

The 45<sup>th</sup> International Sugar Organisation (ISO) Council Session was held in Montego Bay, Jamaica from 27<sup>th</sup> to 29<sup>th</sup> May, 2014. Fiji was also part of this Session in which a delegation led by the Honorable Prime Minister and Minister for Sugar attended and the Council's Chief Executive Officer was part of this delegation.

Later in the month of November 2014, the same delegation attended the 46<sup>th</sup> Session of the International Sugar Council which was held in London.

### **19. SUGAR INDUSTRY REFORMS**

Critical reforms are being pursued across various facets of the Sugar Industry. These reforms encompass institutional arrangements, cane production, harvesting and transport systems, as well as milling operations. The Sugar Taskforce Team is collaborating closely with the Fiji Sugar Corporation (FSC) and other stakeholders on the implementation of the sugar industry reform plan. The main focus of the plan is to turn the industry around into a viable and vibrant commercial entity.

Over the period 2010 to 2012, Government took proactive steps to salvage the Fiji Sugar Corporation from financial collapse and undertook urgent reform measures to restructure key segments of the industry. This intervention has resulted in a positive turnaround in FSC's financial performance this year and stabilized the overall sugar sector.

The focus for the sugar sector over the medium term is clearly prescribed under the Sugar Cane Industry Action Plan 2013-2022. This Plan was devised by industry stakeholders with the support of sugar reform experts. The Plan provides an action-oriented framework to help revitalize and sustain the industry over the next 10 years, focusing mainly on the following 6 core areas:

- (i) Crop production and grower advisory services;
- (ii) Harvesting and transport;
- (iii) Milling and processing;
- (iv) Cane quality;
- (v) Revenue generation; and
- (vi) Industry re-structuring and legislation.

The performance of the industry is expected to improve with anticipated increases in both sugar output and exports. This growth is critical to further support FSC's financial performance and ensure the industry is well placed to embrace the anticipated withdrawal of EU preferential prices in 2017.

In 2014, Government has provided a budget of \$8.4 million for the sugar development program. This will be utilized to assist farmers in cane replanting and improving production levels.





**20. STAFF SEMINAR**

SCGC Staff Training is normally held every year however due to various reasons we were not able to gather the staff for the past 6 years. The Council Management have been holding internal Staff Meetings and visits district offices.

The Council staff held its workshop on the 11<sup>th</sup> and 12<sup>th</sup> of April, 2014 in the SCGC Hall and all SCGC Staff i.e. Clerk/Typists, Executive Officers, Senior Executive Officers, Clerical Officers, and Head Office staff were involved in this workshop.

The main objective of the Staff Training was to upgrade their skills and standardize office procedures. As a result of the workshop participants were able to:

1. Understand the importance of Excellent Self Management
2. Implement the techniques to manage themselves excellently
3. Become more efficient & effective at work & improve the quality of their private lives

Mr. Andrew Winter Taylor, the EU Project Management Unit Leader, Lautoka branch conducted training on Friday 11<sup>th</sup> April while Saturday was the Administration Issues discussions where all staff took part in Presentations.

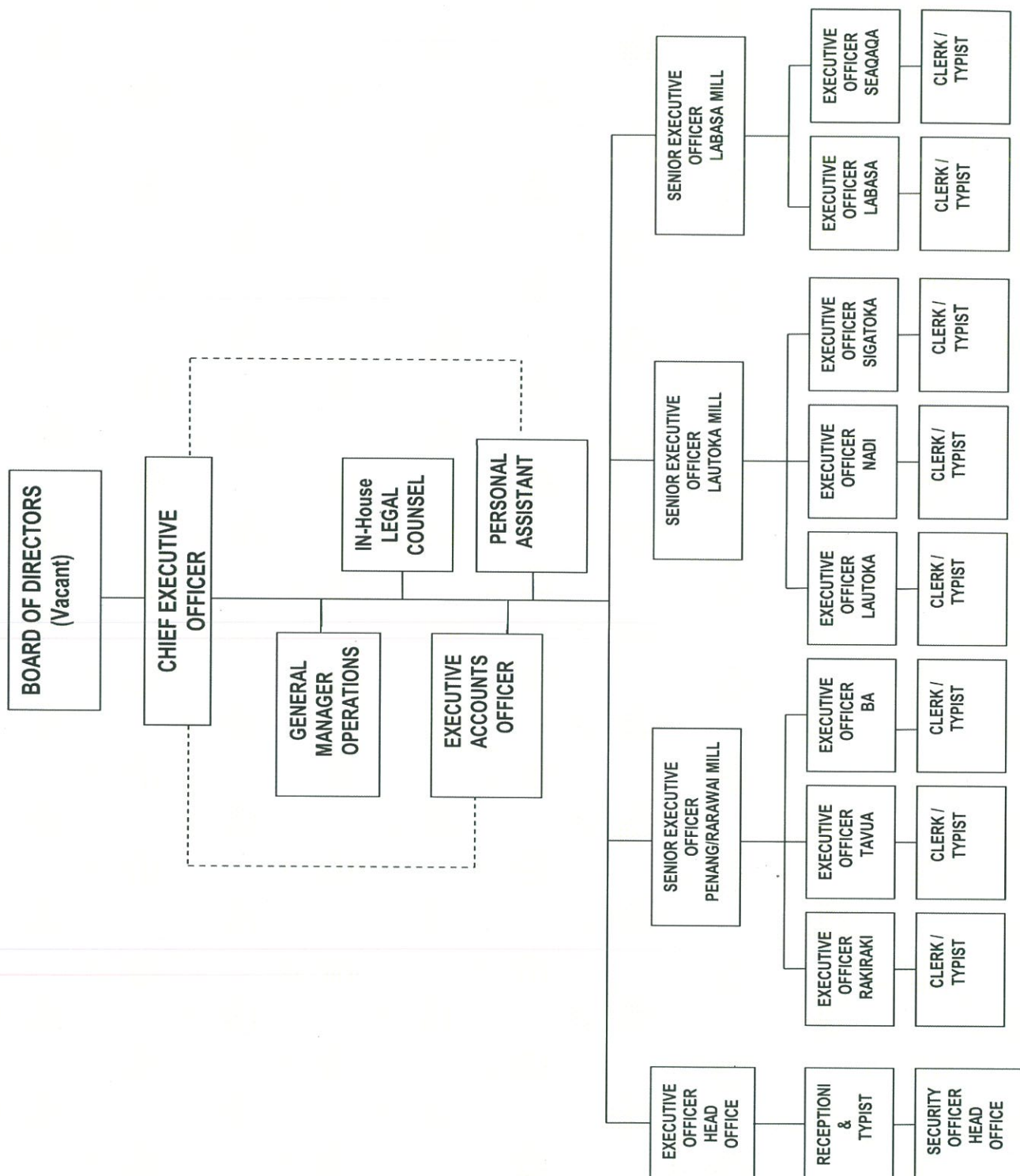


*SCGC Staff during the 2014 Staff Seminar*





### SUGAR CANE GROWERS COUNCIL ORGANISATION CHART





**Sugar Cane Growers Council**

**Financial Statements**

**For the year ended**

**31 December 2014**



## **Sugar Cane Growers Council**

### **Contents**

Officers' report	1 - 2
Independent auditor's report	3
Statement of comprehensive income and accumulated funds	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7 - 18
Disclaimer	19
Statement of operations	20 - 21



## **Sugar Cane Growers Council**

### **Officers' report**

The Officers of Sugar Cane Growers Council (the Council) herewith submit the statement of financial position of the Council as at 31 December 2014 and the related statement of comprehensive income and accumulated funds and statement of cash flows for the year ended on that date and report as follows:

### **Officers**

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

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

### **State of affairs**

In the opinion of the Officers the accompanying statement of financial position gives a true and fair view of the state of affairs of the Council as at 31 December 2014 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 \$134,614 (2013: Loss of \$73,347).

### **Principal activities**

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

### **Current assets**

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

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

### **Receivables**

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

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



## Sugar Cane Growers Council

### Officers' report (continued)

#### Related party transactions

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

#### Going concern

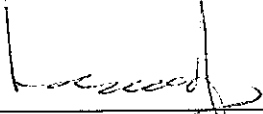
The Council's financial statements have been prepared on a going concern basis, which assumes that the Council will continue in its present form. A Cabinet decision was made to dissolve the Council on 11 August 2009. As at the date of the financial statements, there have been no further actions taken with regard to the dissolution of the Council or appointment of a successor body. The Council continues with its normal operations.

#### 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 Officers, to affect significantly the operations of the Council, the results of those operations or the state of affairs of the Council in subsequent financial years.

Dated at Lautoka this 07<sup>th</sup> day of May 2015.

Signed in accordance with a resolution of the Officers.

  
\_\_\_\_\_  
Director of Sugar

  
\_\_\_\_\_  
Chief Executive Officer





## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SUGAR CANE GROWERS COUNCIL**

We have audited the accompanying financial statements of Sugar Cane Growers Council, which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income and accumulated funds, and cash flow statement for the year then ended, and notes 1 to 20, comprising a summary of significant accounting policies and other explanatory information

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

Officers and Management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as the Officers and Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Sugar Cane Growers Council as at 31 December 2014 and of its financial performance, its changes in accumulated funds, and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

7 May 2015  
Nadi, Fiji Islands

**KPMG**

**Chartered Accountants**



**Sugar Cane Growers Council**  
**Statement of comprehensive income and accumulated funds**  
**For the year ended 31 December 2014**

	Note	2014 \$	2013 \$
Sales		2,057,367	2,336,587
Cost of Sales		<u>(1,952,286)</u>	<u>(2,139,208)</u>
<b>Gross profit</b>		105,081	197,379
Revenue - growers levy		650,000	600,000
Other income	4	167,634	160,571
Administrative expenses	5	(473,555)	(444,689)
Other operating expenses	6	<u>(332,245)</u>	<u>(601,848)</u>
Surplus from operations		116,915	(88,587)
Finance income	8	17,699	17,520
Finance expense	8	<u>-</u>	<u>(2,280)</u>
<b>(Loss) / surplus for the year</b>		134,614	(73,347)
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income / (loss) for the year</b>		134,614	(73,347)
Accumulated funds at the beginning of the year		<u>2,931,450</u>	<u>3,004,797</u>
<b>Accumulated funds at the end of the year</b>		<u><u>3,066,064</u></u>	<u><u>2,931,450</u></u>

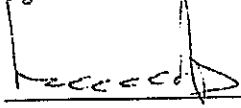
The notes on pages 7 to 18 are an integral part of these financial statements.

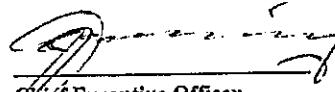


**Sugar Cane Growers Council**  
**Statement of financial position**  
**As at 31 December 2014**

	Note	2014 \$	2013 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	1,125,209	1,176,024
Investments	10	<u>386,883</u>	<u>358,432</u>
<b>Total non-current assets</b>		<u>1,512,092</u>	<u>1,534,456</u>
<b>Current assets</b>			
Cash and cash equivalents	11	879,187	615,020
Held to maturity investments	12	550,000	550,000
Inventories		66,225	38,095
Receivables	13	627,890	1,101,692
Prepayments		<u>13,447</u>	<u>12,851</u>
<b>Total current assets</b>		<u>2,136,749</u>	<u>2,317,658</u>
<b>Total assets</b>		<u>3,648,841</u>	<u>3,852,114</u>
<b>Funds employed</b>			
Funds employed		<u>3,066,064</u>	<u>2,931,450</u>
<b>Total funds employed</b>		<u>3,066,064</u>	<u>2,931,450</u>
<b>Current liabilities</b>			
Other payables and accruals	14	550,269	880,292
Employee benefits	15	<u>32,508</u>	<u>40,372</u>
<b>Total current liabilities</b>		<u>582,777</u>	<u>920,664</u>
<b>Total liabilities</b>		<u>582,777</u>	<u>920,664</u>
<b>Total funds employed and liabilities</b>		<u>3,648,841</u>	<u>3,852,114</u>

Signed on behalf of the Board.

  
 Director of Sugar

  
 Chief Executive Officer

The notes on pages 7 to 18 are an integral part of these financial statements.



**Sugar Cane Growers Council**  
**Statement of cash flows**  
**For the year ended 31 December 2014**

	Note	2014 \$	2013 \$
<b>Operating activities</b>			
Receipts of growers levy from Fiji Sugar Corporation		668,028	640,612
Receipts from weedicide sales		2,509,969	1,952,594
Other receipts		139,183	103,416
Payments to suppliers and employees		(3,052,291)	(2,580,257)
Interest paid		-	(2,280)
<b>Cash flows from operating activities</b>		<u>264,889</u>	<u>114,085</u>
<b>Investing activities</b>			
Interest received		17,699	17,520
Proceeds from sale of property, plant and equipment		-	40,150
Acquisition of property, plant and equipment		(18,421)	(94,880)
<b>Cash flows used in investing activities</b>		<u>(722)</u>	<u>(37,210)</u>
<b>Financing activities</b>			
Repayment of loan		-	(76,000)
<b>Cash flows used in financing activities</b>		<u>-</u>	<u>(76,000)</u>
Net increase in cash and cash equivalents		264,167	875
Cash and cash equivalents at 1 January		<u>615,020</u>	<u>614,145</u>
Cash and cash equivalents at 31 December	11	<u><u>879,187</u></u>	<u><u>615,020</u></u>
Non-cash investing activity	17		

The notes on pages 7 to 18 are an integral part of these financial statements.



**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

**1. Reporting entity**

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

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

**2. Basis of preparation**

**(a) Statement of compliance**

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

The financial statements were authorised for issue by the Director of Sugar and Chief Executive Officer on 7 May 2015.

**(b) Going concern basis of accounting**

The Council's financial statements have been prepared on a going concern basis, which assumes that the Council will continue in its present form. A Cabinet decision was made to dissolve the Council on 11 August 2009. As at the date of the financial statements, there have been no further actions taken with regard to the dissolution of the Council or appointment of a successor body. The Council continues with its normal operations.

**(c) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for investments which have been measured at fair value.

**(d) Functional and presentation currency**

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

**(e) Use of estimates and judgments**

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

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



**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

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

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

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

- Note 3(c) Recoverability of receivables

**3. Significant accounting policies**

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

**(a) Financial instruments**

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

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

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

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

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

**Loans and receivables**

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

Loans and receivables comprise cash and cash equivalents and receivables.



**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

**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 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 payable and accruals.



**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

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

**(b) Property, plant and equipment**

(i) Recognition and measurement

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

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

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

(iii) Depreciation

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

(ii) Subsequent costs

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

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

<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 2014**

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

**(c) Impairment (continued)**

Financial assets measured at amortised cost

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

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

(ii) Non-financial assets

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

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

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



**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

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

**(d) Employee benefits**

i) Defined contribution plan / superannuation

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

ii) Short-term benefits

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

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

**(e) Inventories**

Inventories 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. Growers levies are determined under the Master Award and regulated under the Sugar Industry Act 1984 s(53). The collection of levies by FSC is deducted from the growers' share of proceeds of sale of sugar, molasses and other by-products.

(ii) Sale of weedicide

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

(iii) Other income

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

(iv) Rental income

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

**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

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

**(g) Income tax**

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

**(h) Financing income and expenses**

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

Finance costs comprise interest on borrowings.

**(i) Value Added Tax (VAT)**

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

	2014	2013
	\$	\$
<b>4. Other income</b>		
Dividend income - Unit Trust of Fiji	15,326	14,706
Gain on disposal of property, plant and equipment	-	40,150
Gain on remeasurement of investments to fair value	13,125	2,299
Other income	47,573	8,996
Rental income	91,610	94,420
	<u>167,634</u>	<u>160,571</u>
<b>5. Administrative expense</b>		
Bank charges	1,123	1,295
Meeting costs	3,531	3,689
Personnel expenses (refer note 7)	468,901	439,705
	<u>473,555</u>	<u>444,689</u>
<b>6. Other operating expenses</b>		
Included in other operating expenses are the following items:		
Doubtful debts	-	280,327
Auditor's remuneration - audit services	7,000	7,000
- other services	1,612	1,257
Depreciation	69,236	55,613
Electricity	23,397	28,427
Insurance	24,017	23,041
Legal department expenses	2,638	9,901
Motor vehicle expenses	51,848	40,131
Rent	29,659	29,755
Telephone	28,732	27,289



**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>7. Personnel expenses</b>		
Annual and long-service leave	22,791	32,823
Fiji National Provident Fund (FNPF) contributions	26,761	24,435
Key management compensation - short term benefits	121,645	90,413
- FNPF	9,732	6,589
National Training and Productivity Center levy	4,438	3,903
Wages and salaries	283,534	281,542
	<u>468,901</u>	<u>439,705</u>
<b>8. Finance income and expenses</b>		
<u>Finance income</u>		
Interest income	<u>17,699</u>	<u>17,520</u>
<u>Finance expense</u>		
Interest expense	<u>-</u>	<u>2,280</u>

**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

**9. Property, plant and equipment**

	Fixtures and fittings \$	Plant and equipment \$	Motor vehicles \$	Land and buildings \$	Total \$
<b>Cost</b>					
Balance at 1 January 2013	121,365	424,582	313,384	1,327,745	2,187,076
Acquisitions during the year	-	6,086	76,870	11,924	94,880
Disposals during the year	-	-	(120,929)	-	(120,929)
Balance at 31 December 2013	121,365	430,668	269,325	1,339,669	2,161,027
Acquisitions during the year	-	15,871	-	2,550	18,421
Balance at 31 December 2014	121,365	446,539	269,325	1,342,219	2,179,448
<b>Depreciation</b>					
Balance at 1 January 2013	121,365	399,907	271,175	257,872	1,050,319
Depreciation charge for the year	-	10,997	24,019	20,597	55,613
Disposals during the year	-	-	(120,929)	-	(120,929)
Balance at 31 December 2013	121,365	410,904	174,265	278,469	985,003
Depreciation charge for the year	-	12,656	34,593	21,987	69,236
Balance at 31 December 2014	121,365	423,560	208,858	300,456	1,054,239
<b>Carrying amount</b>					
At 31 December 2013	-	19,764	95,060	1,061,200	1,176,024
At 31 December 2014	-	22,979	60,467	1,041,763	1,125,209



**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

**10. Investments**

Non-current investment

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

	2014	2013
	\$	\$
<u>Unit Trust of Fiji</u>		
This represents investment in Unit Trust of Fiji of 272,453 units (2013: 261,629 units) at \$1.42 (2013: \$1.37).	386,883	358,432

Reconciliation of investment in Unit Trust of Fiji

Balance at 1 January	358,432	341,427
Additional units acquired during the year	15,326	14,706
Gain on remeasurement of investment to fair value	13,125	2,299
Balance at 31 December	386,883	358,432

Financial assets designated at cost are as follows:

	2014	2013
	\$	\$
<u>Fiji Sugar Corporation</u>		
This represents investment in Fiji Sugar Corporation	38,931	38,931
Less provision for impairment	(38,931)	(38,931)
	-	-

**11. Cash and cash equivalents**

Cash at bank	877,358	613,191
Cash on hand	1,829	1,829
Cash and cash equivalents in the cash flow statements	879,187	615,020

**12. Held to maturity investments**

Term deposits	550,000	550,000
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The average interest rate on term deposits in 2014 is 3.05% (2013: 3.22%). The deposits have an average maturity of 365 days (2013: 365 days).

**13. Receivables**

	2014	2013
	\$	\$
Growers levy receivable from The Fiji Sugar Corporation Limited	707,558	725,586
Less: Provision for doubtful debts	(492,664)	(492,664)
	214,894	232,922
Receivable from The Fiji Sugar Corporation Limited for sale of weedicide	399,479	852,081
Receivable from South Pacific Fertilizers Limited	1,614	-
Receivable from Sugar Cane Growers Fund	375	-
Other receivables	11,528	16,689
	627,890	1,101,692

**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

	2014	2013
	\$	\$
<b>13. Receivables (continued)</b>		
<u>Provision for doubtful debts</u>		
Balance as at 1 January	492,664	212,337
Expense recognised during the year	-	280,327
Balance as at 31 December	<u>492,664</u>	<u>492,664</u>
<b>14. Other payables and accruals</b>		
Payables and accruals	49,793	51,606
South Pacific Fertilizers Limited	500,476	828,686
	<u>550,269</u>	<u>880,292</u>
<b>15. Employee benefits</b>		
Balance at 1 January	40,372	28,024
Expense recognised in the profit or loss	22,791	32,823
Leave utilised	(30,655)	(20,475)
Balance at 31 December	<u>32,508</u>	<u>40,372</u>

**16. Related parties**

**(a) The Officers**

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

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

**(b) Identity of related parties**

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

**(c) Amounts receivable from / (payable to) related parties**

	2014	2013
	\$	\$
Payable to South Pacific Fertilizers Limited (Note 14)	(500,476)	(828,686)
Receivable from The Fiji Sugar Corporation Limited for sale of weedicide (Note 13)	399,479	852,081
Growers levy receivable from The Fiji Sugar Corporation Limited (Note 13)	707,558	725,586
Receivable from South Pacific Fertilizers Limited (Note 13)	1,614	-
Receivable from Sugar Cane Growers Fund (Note 13)	<u>375</u>	<u>-</u>



**Sugar Cane Growers Council**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

**16. Related parties (continued)**

**(d) Transactions with related parties**

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

	2014	2013
	\$	\$
Interest expense – Sugar Cane Growers Fund	-	2,280
Levy income – The Fiji Sugar Corporation Limited	650,000	600,000
Purchase of weedicide from South Pacific Fertilizers Limited	1,973,697	2,164,789
Sale of weedicide to The Fiji Sugar Corporation Limited	1,160,727	1,304,707
Rental income from Sugar Cane Growers Fund	<u>62,303</u>	<u>62,303</u>

**(e) Transactions with key management personnel**

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

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

**17. Non-cash investing activity**

	2014	2013
	\$	\$
Re-investment of dividend income earned in Unit Trust of Fiji	<u>15,326</u>	<u>14,706</u>

**18. Capital commitments**

Capital commitments as at 31 December 2014 amounted to \$nil (2013: \$nil).

**19. Contingent liabilities**

The Council is a defendant in various third party claims. The Officers 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 Officers, to affect significantly the operations of the Council, the results of those operations or the state of affairs of the Council in subsequent financial years.

## Disclaimer

The additional financial information presented on pages 20 to 21 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 2014. 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.

7 May 2015  
Nadi, Fiji Islands



KPMG  
Chartered Accountants



**Sugar Cane Growers Council**  
**Statement of operations**  
**For the year ended 31 December 2014**

	2014	2013
	\$	\$
Sales	2,057,367	2,336,587
Cost of Sales	(1,952,286)	(2,139,208)
<b>Gross Profit</b>	<b>105,081</b>	<b>197,379</b>
Growers levy	650,000	600,000
Dividend income	15,326	14,706
Gain on disposal of property, plant and equipment	-	40,150
Gain on remeasurement of investments to fair value	13,125	2,299
Interest income	17,699	17,520
Rental income	91,610	94,420
Other income	47,573	8,996
<b>Total income</b>	<b>940,414</b>	<b>975,470</b>
<b>Expenditure</b>		
Advertising	2,291	1,155
Doubtful debts	-	280,327
Auditor's remuneration - audit services	7,000	7,000
- other services	1,612	1,257
Bank charges	1,123	1,295
City rates	758	842
Cleaning	9,733	9,965
Contingency expense	-	200
Depreciation	69,236	55,613
Donations	400	260
Electricity	23,397	28,427
Fiji National Provident Fund contributions	36,493	31,024
General expenses	10,443	9,364
Growers accountant's fees	5,750	5,750
Hospitality	1,100	1,471
Insurance	24,017	23,041
Interest expense	-	2,280
Legal department expenses	2,638	9,901
Meeting costs - other	3,531	3,689
Motor vehicle expenses	51,848	40,131
Office expenses	6,416	6,694
<b>Expenses balance carried forward</b>	<b>257,786</b>	<b>519,686</b>

The above statement of operations is to be read in conjunction with the disclaimer report set out on page 19.

**Sugar Cane Growers Council**  
**Statement of operations (continued)**  
**For the year ended 31 December 2014**

	2014	2013
	\$	\$
Expenses balance brought forward	257,786	519,686
Postage	2,282	2,756
Professional services	2,040	1,200
Rent	29,659	29,755
Repairs and maintenance	14,083	23,286
Security expenses	15,363	13,223
Staff training	4,634	748
Stationery and printing	11,146	15,611
Subscriptions	2,963	2,447
Telephone	28,732	27,289
National Training and Productivity Center levy	4,438	3,903
Wages and salaries	427,970	404,778
Water rates	905	2,219
Website costs	3,799	1,916
	<hr/>	<hr/>
<b>Total expenditure</b>	<b>805,800</b>	<b>1,048,817</b>
	<hr/>	<hr/>
<b>Operating surplus</b>	<b>134,614</b>	<b>(73,347)</b>
	<hr/>	<hr/>

The above statement of operations is to be read in conjunction with the disclaimer report set out on page 19.