

SUGAR CANE GROWERS COUNCIL

ANNUAL REPORT

2019



SERVING THE CANE GROWERS OF FIJI

Parliamentary Paper Number 51 of 2020



Table of Contents

Letter to the Minister	3
Corporate Statement	4
Corporate Governance	5
Organisation Chart	6
Message from Chairman	7
Message from the Chief Executive Officer	8
About Sugar Cane Growers Council	9
Growers Update	10
Operations Review	
Weather	11
2018 Crushing Season	12
2019 Crop	14
Cane Price & Payments	15
Year In Review	
Services provided by SCGC	16
SCGC Financial Statements for the year Ending 31st July 2019	24



Sugar Cane Growers Council

HEAD OFFICE: LEVEL 3 CANE GROWERS BUILDING,
75 DRASA AVE, P.O. BOX 5162, LAUTOKA, FIJI.
PHONE: (679) 6650466, FAX: (679) 6650624

30th June 2020

The Honourable Prime Minister and Minister for Sugar
Office of the Prime Minister
Government Buildings
SUVA

Dear Sir,

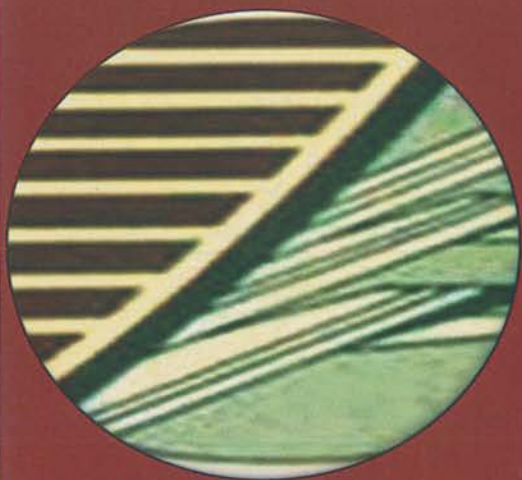
RE: SCGC Annual Report 2019

Pursuant to the requirements of Part IV Section 54 (3) of the Sugar Industry Act, 1984 together with Section 28 Sugar Industry (Amendment) Act 2015, we are pleased to submit the Annual Report on activities and audited financial accounts for the year ended 1st August 2018 to 31st July, 2019.

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

.....
Sunil Deo Chaudhary
Chief Executive Officer (Acting)

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



VISION

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

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.

CORPORATE STATEMENT

ORGANISATIONAL PROFILE

Under the Sugar Industry Act No. 8 of 1984 under section 31, the Sugar Cane Growers Council was established 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.

FUNCTIONS OF THE COUNCIL

With reference to section 42 the function of the Council is to do all such things and take all such steps as it may consider necessary for the protection and development of the industry and of the interests of registered growers, and, in particular, to :-

- (a) encourage and promote co-operation among registered growers and between registered growers and others engaged in the industry;
- (b) remove and obtain redress of all legitimate grievances of individual registered growers, of registered growers generally or of registered growers of particular sector, district or mill area;
- (c) provide registered growers with goods and services relating to the business of cane-growing and agricultural diversification;
- (d) establish, hold and administer funds for the benefit of registered growers;
- (e) encourage and promote research and education with a view to improving the efficiency and productivity of registered growers and to collect, record and distribute information of value to registered growers; and
- (f) perform such other functions as many be assigned to the Council by this Act, Master Award or any other written law.

CORPORATE GOVERNANCE

COMPOSITION OF COUNCIL

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

a) **2 Elected representatives from each of the following Cane Producers' Associations**

Rarawai and Penang Cane Producers' Association
Labasa Cane Producers' Association
Lautoka Cane Producers' Association

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

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

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

COUNCIL MEETING

The Council had regular meetings during the year, however, the term for our Councilors expired in February 2019 and the new Councilors were appointed by the Minister for Sugar in June 2019. The Council meeting discussions focused on policy issues for SCGC and issues pertaining the Sugar Industry such as cane planting, harvesting and transport, milling operations, cane quality and sugar marketing.

Council also deliberates on challenges and concerns raised by the growers and tries to find gracious resolution to develop sustainable sugar industry.



Mr. Sanjay Kumar
Chairman
Ministry of Sugar



Cr. Jovesa Vocea,
Commissioner Northern



Cr. Joji Satakala
Commissioner Western



Cr. Josefa Cagimaicama
Rarawai/Penang Cane
Producers Association



Cr. Prakash Chandra
Labasa Cane Producers
Association



Cr. Jai Ram Khelawan
Rarawai/Penang Cane
Producers Association



Cr. Pradip Kumar
Labasa Cane Producers
Association



Cr. Nand Kishore
Lautoka Cane Producers
Association



Mr. Sundresh Chetty
Chief Executive Officer



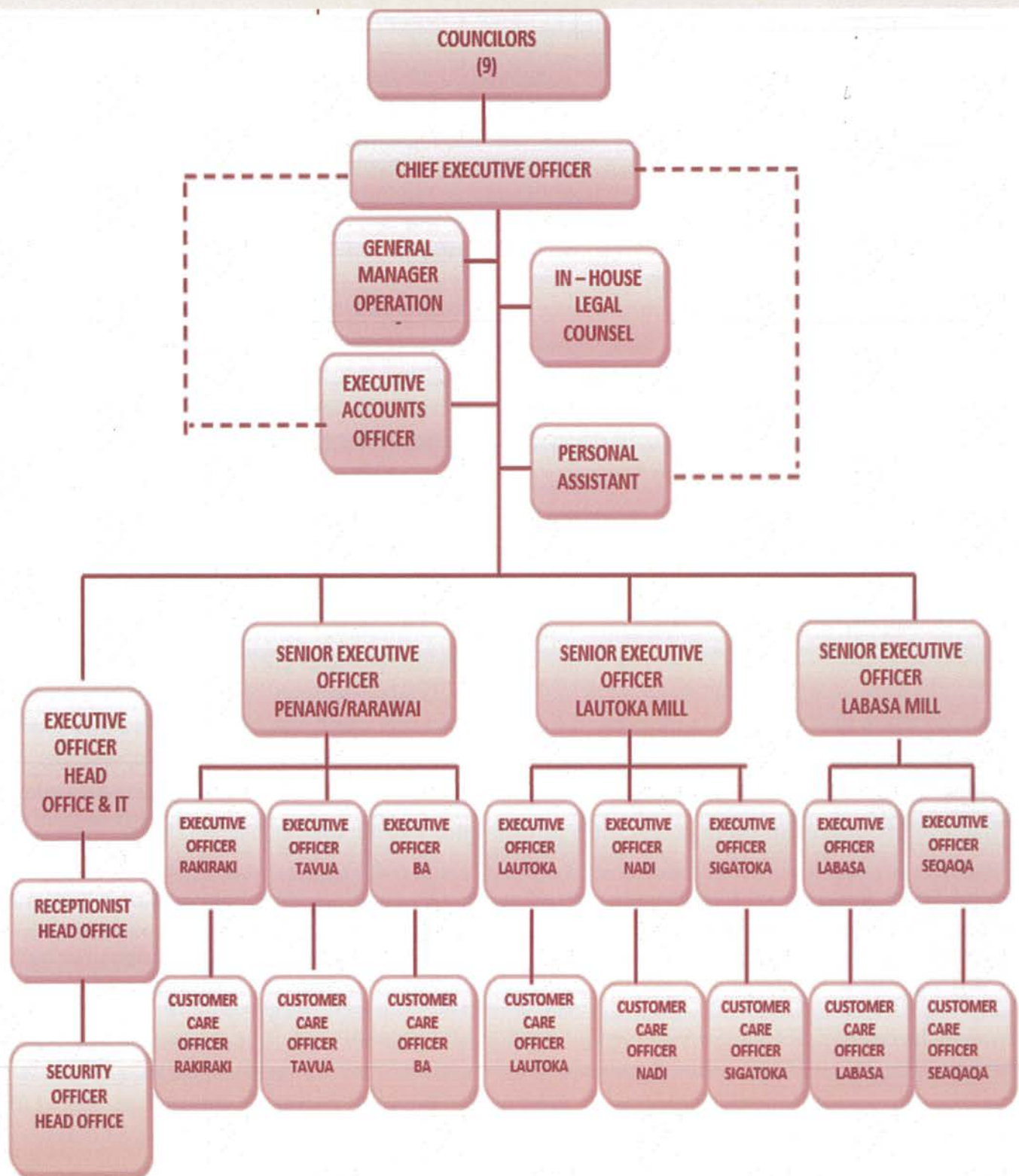
Cr. Parbindra Singh
Lautoka Cane Producers
Association



Mr. Sunil Deo Chaudhary
Secretary

SUGAR CANE GROWERS COUNCIL

ORGANISATIONAL CHART





Mr. Sanjay Kumar

Message from the
Chairman

It has been a challenging but at the same time an exciting year for Sugar Cane Growers Council where we continued to provide services to our growers with integrity, transparency and professionalism in accordance with functions stated in the Act.

Just before the commencement of 2018 crushing season, our farmers faced extensive flooding due to two tropical cyclones namely Josie and Keni which affected Rarawai Mill and farms along the bank of Ba River.

The 2019 Crushing season also had slow start due to the sugar cane operators objecting to the weight limit restrictions, truck owners demanding higher cartage rates which delayed organizing gang annual general meetings. In spite of these hurdles, the Sugar Cane Growers Council has always been at the forefront to provide maximum support, build and sustain the confidence of growers.

It is apparent that sugar industry has become more challenging for the growers with increase in frequency of natural disasters, national requirement and other lucrative opportunities in other sectors, but with continued government support through the Fertilizer Subsidy, Weedicide Subsidy, Cane Planting Grant, Cane Access Road Grant, Cane Cartage Grant for growers in the Penang mill area and assurance of \$85 per ton of crops for three years has enticed many nil producers and working class people to turn to sugar farming.

The Government of the day has been providing unwavering support to the sugar industry and the growers remain hopeful that such support and assistance would continue in the future to enable industry to remain viable and sustainable for more than 200,000 Fijians who derive their livelihoods directly and indirectly from this industry.

The Sugar Cane Growers Council is optimistic than more and more people will venture into sugarcane farming through Government grant assistance for new and young farmers. The Sugar Cane Growers Council will continue to discharge its mandated fundamental services it has been providing to farmers to encourage the growers to take advantage of all the government assistance for revival and sustainability of sugar industry.

Commitment, hard work and perseverance have been the key to success for this year. I thank the government, in particular the Honorable Prime Minister and Minister for Sugar Industry, Permanent Secretary of Sugar Industry, all Chief Executives of sugar stakeholders, President of Cane Producers Associations, my fellow Director of SCGC and all registered sugarcane growers for continued support during the year. We thank you for your support and look forward in deepening our relationship in future.

In conclusion, to our sugarcane growers, you are the most valuable part of sugar industry and sugar cane growers will continue to provide all services to you with integrity and professionalism.

Thank you



Mr. Sundresh Chetty

Message from the
Chief Executive
Officer

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

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

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

Stability in an unstable world is the hope that cane growers wish to offer our industry. It can be sometimes hard to see a pathway through some of our most difficult challenges which is beyond our control such as weather. During the year we have continued to build on the importance of the Council in coming together to share industry issues from across the cane belt areas, to engage with all our stakeholders and the Government to discuss and set industry policy and strategy.

The impact of climate change is taking its toll on the sugar industry quite drastically as extreme weather conditions are being experienced almost every year. 2019 has been quite challenging as we had to face two tropical cyclones TC Josie and TC Keni together with massive flooding that affected cane production.

The Council undertakes to set, implement and monitor the performance and carry out its activities in a transparent manner in accordance with the Government policy and to offer a value for money to its stakeholders. Members of the Council comply with the code of good governance in improving the standard of Management in order to reduce costs and better resource utilization.

The Council appreciates the tremendous effort of the Government in its 2018/2019 National Budget for the announcement of minimum guaranteed price of \$85 per tonne of cane for the three seasons of 2018, 2019 and 2020. This has definitely brought back the confidence of the growers which had eroded over the years. Government of the day has been providing unwavering support to the Sugarcane Industry and the Growers remain hopeful that such support and assistance would continue in future so that Industry remains viable and sustainable.

Thank you.



ABOUT SUGAR CANE GROWERS COUNCIL

Sugar Cane Growers Council (SCGC) was established under the Sugar Industry Act, 1984 with specific functions to protect and further the interests of registered cane growers. It is the peak Cane Growers' organization representing the interests of all registered Cane Growers in Fiji. On the 21st of August, 2015, amendments were done to the Sugar Industry Act (CAP 206). Of particular interest in these amendments is section 32 regarding the members of the Board SCGC. Previously, the Council consisted of one member elected from each of the 38 sectors and one member to be nominated by the Minister from each of the eight districts.

The new amendment has put away with a member elected from each 38 sectors and have replaced it with 2 elected representatives from each Cane Producers Association plus the Western and Northern Commissioners and a Representative of the Ministry of Sugar. All persons shall be appointed by the Minister.

The Council consists of 9 members appointed by the Minister for Sugar Industry. The Head Office is situated at 75 Drasa Avenue, Lautoka and has district offices in 8 cane growing districts (6 in Viti Levu and 2 in Vanua Levu). The operations of the SCGC are managed by the Chief Executive Officer with the assistance of 25 staff members. The SCGC serves 38 sectors. In the year 2019, SCGC has been able to serve 63,376 growers for different services.

The Council used to be fully funded by the cane growers themselves through a levy from the cane proceeds for Administrative Expenses. From the year 2016 government is providing annual grant to the council for operating and administrative expenses

GROWERS UPDATE

There are about 16,631 registered cane growers and only 11,902 active cane growers running small family cane farms with majority producing less than 200 tonnes per year. Some 15 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.

The vast majority of the growers have farm size of 4 hectares /10 acres, a legacy from the British Colonial administration and the end of indentured laborer system in the 1920's. At that time, a plot of 4 hectares of land was leased to individual grower which was considered to be sufficient to support a grower and his family.

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; their children left to attend universities to get better education in search for white collar jobs in the cities or overseas. Growers of this age group do not feel secure and does not pass on their reins to the next generation. The main objectives of the Sugar Industry Act are to establish the various bodies which govern the industry. The relationship between the millers and growers has been the subject of Master Award, which sets out in great detail the rights and obligations of the two parties. In 2019, the total number of registered growers in the country was 16,631 with 1,881 number of cane harvesting gangs.

REGISTERED GROWERS
COMPOSITION BY DISTRICT



Gang Composition by district



	Rakiraki	Tavua	Ba	Lautoka	Nadi	Sigatoka	Labasa	Seqaqa	Total
Registered Growers	1,741	1,663	3,682	2,106	2,169	1,159	3,451	660	16,631
No. of Gangs	168	144	345	225	278	110	436	175	1,881

OPERATIONS REVIEW 2019

The Management of the Sugar Cane Growers Council takes pleasure in presenting its 2018/2019 Report.



WEATHER

This year was no different than previous years as the entire cane belt experienced sporadic weather patterns. Intense rainfalls and flash flooding was experienced in early months of 2018 and this affected the 2018 season crop. Despite doing substantial

investments for crop development, the sugar industry is still battling to mitigate adverse weather challenges.

MONTHLY RAINFALL (mm) 2019

MILL	LAUTOKA		RARAWAI		PENANG		LABASA	
MONTH	RAIN	RAINFALL	RAIN	RAINFALL	RAIN	RAINFALL	RAIN	RAINFALL
	(mm)	Days	(mm)	Days	(mm)	Days	(mm)	Days
July	4.8	4	0	0	8.9	11	12.5	9
August	5	2	0	0	199	15	NIL	0
September	37.4	9	16.7	1	35.2	10	104.7	18
October	216	24	171.2	14	340.4	24	401.7	23
November	72.1	12	83.2	6	69.6	8	75.1	12
December	116	18	134.7	7	71.5	15	167.6	27
January	343	20	523.2	19	295.2	28	535.4	31
February	116	16	214.2	12	255	24	316.6	24
March	208	21	314.2	12	239.6	22	307.6	30
April	324	19	278	14	498.2	23	391.4	26
May	7.5	5	3.6	3	19.7	7	31.7	11
June	73.1	5	126.7	6	53	5	150.8	8
July	88.9	10	49.1	5	56.2	14	51.3	16
August	14.4	7	12.7	2	197	6	43.8	8
TOTAL	1626.2	172	1927.5	101	2338.5	212	2590.2	243

Source : SRIF

ACTUAL CANE & SUGAR PRODUCTION 2018 SEASON AND LAST 5 YEARS

	2013	2014	2015	2016	2017	2018
Tonnes						
Cane	1,608,546	1,832,146	1,844,525	1,387,034	1,631,301	1,697,370
Sugar	179,411	226,859	221,933	139,502	180,388	160,206

2018 CRUSHING SEASON AND 2019 CRUSHING PROGRESS

2018

In 2018 crushing season, growers and the Council encountered numerous challenges, however, the overall performance was better in comparison to 2017 season. Council in collaboration with FSC tried their best to get all harvestable crop harvested and delivered to the Mill before termination of crush by mobilizing manual gangs and mechanical harvesters. Sector Committee comprising of SCGC and FSC representatives also assisted growers by reviewing request for increase in harvesting limits as cutters demanded higher rates. Poor Mill performance also affected the growers who incurred huge cost in accommodating the cutters. This also prolonged the season length and growers had to accommodate the cutters for a longer period. Poor rail performance in all the Mill areas was also a concern. Council Management negotiated with FSC management and was successful in convincing FSC to pay conversion allowance to Lomowai and Cuvu rail growers who were willing to do direct dumping.

The revised crop forecast for 2018 season was 1.69 million tonnes after the significant changes in weather. The actual crop harvested for the 2018 season was 1,697,370 million tonnes which was 4% lower/higher than 2017 season crop. The total area under cane was about 37,105 hectares and the average yield was 46 tonnes per hectare.

CROP FORECAST AGAINST ACTUALS

Mill	2018 Season (Forecast)	2018 Season (Actual)
Lautoka	448,120	457,478
Rarawai	472,000	479,625
Labasa	635,800	620,328
Penang	138,800	139,939
Total	1,694,720	1,697,370

The stand over crop for 2018 season was approximately 19,516 tonnes. This was mainly due to non-availability of cutters, poor mill performance, or lack of interest and drastic weather conditions.

CRUSHED AND STAND OVER CROP

Mill	Crushed	Stand Over	Total crop
Lautoka	457,478	11,046	468,524
Rarawai	479,625	90	479,715
Labasa	620,328	8,330	628,658
Penang	139,939	50	139,989
Total	1,697,370	19,516	1,716,886

CANE PRODUCTION 2011—2018

District/ Mill	2011	2012	2013	2014	2015	2016	2017	2018
Lautoka	209,240	177,396	229,365	230,457	148,002	193,166	193,166	203,597
Nadi	213,783	169,638	247,193	206,644	156,936	169,436	169,436	178,736
Sigatoka	67,439	58,619	77,655	83,964	67,342	66,949	66,949	75,145
Lautoka Mill Total	490,462	405,652	554,213	521,065	372,280	429,551	429,551	457,478
Rarawai	325,115	360,996	434,458	384,458	217,292	312,979	312,979	362,114
Tavua	140,205	137,830	118,556	106,334	51,578	94,881	94,881	117,511
Rarawai Mill Total	465,320	498,826	553,014	490,792	268,870	407,860	407,860	479,625
Labasa	313,973	429,243	418,106	515,760	502,969	527,503	527,503	474,763
Seaqaqa	99,310	116,911	126,242	146,840	150,384	148,227	148,227	145,565
Labasa Mill Total	413,283	546,154	544,348	662,600	653,353	675,730	675,730	620,328
Penang Mill Total	177,832	159,720	180,571	170,130	91,806	118,231	118,231	139,939
GRAND TOTAL	2,095,741	1,546,897	1,610,353	1,832,146	1,844,587	1,386,309	1,631,372	1,697,377

SOME OF THE CHALLENGES FACED BY THE GROWERS IN THE 2018/2019 CRUSHING SEASON



Mill	2019 Pre Crush Estimate
Lautoka	487,000
Rarawai	527,000
Labasa	673,000
Penang	163,000
Total	1,850,000

2019

The 2019 per-crush crop estimate was 1,850,000 tonnes which was approximately 152,000 tonnes higher than 2018 season crop. Favorable weather conditions with no incidence of natural disasters, sufficient rainfall during peak cane growing period despite below average rain forecast and good husbandry practices by farmers coupled with adequate fertilizer inputs through government subsidy has attributed to the significant increase in the crop. The plant composition has also increased to 4700 Ha compared to 2000 Ha in previous season.

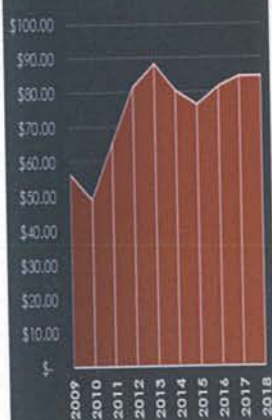
The Initial dates for crush was revised due to lack of harvesting preparedness by cane growers, cane lorry issues in Labasa and delay in mill readiness in Rarawai. FSC and Council mutually requested the Sugar Industry Tribunal for deferment of the two mill start dates. The Tribunal issued a variation order authorizing commencement of 2019 crushing season as follows:

Mills	Initial dates	Revised dates
Lautoka	13 th June 2019	13 th June 2019
Rarawai	25 th June 2019	9 th July 2019
Labasa	6 th June 2019	12 th June 2019

Labasa and Lautoka mills commenced crush as per the scheduled dates. The Honorable Prime Minister and Minister for Sugar, Mr. Bainimarama officiated the opening of Lautoka Mill for 2019 crushing season.

The response from the growers was not encouraging as the cane supply in the first week was well below the daily crush targets. The slow start by gangs was mainly due to lack of harvesting preparedness as a result of late payout of 4th cane payment, announcement of low forecast and delivery price which was reviewed three weeks later upon Council's submission, lorry operators objecting to the weight limit restrictions, lorry operators demanding higher cartage rates, delay in maintenance of cane access roads, delay in holding gang annual general meetings and growers unable to secure cane cutters. Council and FSC continued to meet growers and raise awareness especially on the lorry weight restrictions and urging growers to start harvesting.

Forecast 2009-2018

Delivery Payment
2009-2018CANE PAYMENT
2009-2018

CANE PRICE AND PAYMENTS

FSC had initially announced the forecast price and delivery payment for 2019 season crop as \$53.69 and \$32.22 respectively. In view of higher harvesting and delivery cost to grower compared to announcement of low delivery payment, Council management wrote to FSC and SIT requesting to review the forecast price by not factoring in the 15% margin of error. The revised forecast price for 2019 season crop was \$63.17. The first payment for 2019 season cane deliveries was reviewed to \$37.90 per tonne of cane, being 60% of the forecast price, as determined by the provisions of Regulations 19.2 (i) of the Master Award. The Council appreciates the tremendous effort of the Government for providing a minimum guaranteed price of \$85 per tonne of cane for three seasons starting from 2018 to 2020 crop. This was announced by Government in its 2018/2019 budget.

CANE PAYMENT

Season	Forecast	Delivery	Second	Special	Third	Fourth	Final	Total
1998	48.61	28.89	9.72		27.82	12.28	2.80	81.51
1999	41.70	25.02	8.34		8.00	8.24	1.16	50.76
2000	36.72	22.02	7.34		7.33	6.03	1.28	44.00
2001	43.03	25.82	8.61	4.00	13.44	6.92	2.01	60.80
2002	43.99	26.39	8.80		9.59	6.72	2.30	53.80
2003	43.50	26.10	8.70	4.00	9.71	10.23	1.38	60.12
2004	47.10	28.26	9.42	4.00	2.76	9.68	1.75	55.87
2005	44.28	26.57	8.86	4.00	7.29	9.93	1.70	58.35
2006	48.54	29.12	9.78	4.00	4.96	8.94	1.80	58.60
2007	43.76	26.26	8.75	4.00	6.59	12.44	1.61	59.65
2008	46.26	27.76	9.25	4.00	4.02	12.44	2.23	59.70
2009	61.17	36.70	12.23		5.03	2.26	0.37	56.59
2010	45.67	27.40	9.13		3.5	6.54	2.59	49.16
2011	52.20	31.32	10.44		10.18	11.39	2.34	65.67
2012	53.55	32.13	10.70	4.00	11.50	20.40	3.09	81.82
2013	62.58	37.55	12.52	5.00	12.00	15.05	6.37	88.49
2014	62.70	37.62	12.54		15.13	15.00	0.71	81.00
2015	62.70	37.62	11.14	4.80	9.88	11.12	2.10	76.66
2016	65.69	39.42	13.14	9.15	9.28	10.57	0.44	82.00
2017	65.63	39.38	13.13		13.45	15.14	3.90	85.00
2018	66.08	39.65	13.22		8.15	12.50	11.48	85.00

SERVICES PROVIDED BY SCGC

There have been a number of positive developments in the Sugar Cane Industry over the past year and the growers are responding positively. The industry stakeholders with the support of the Government are trying its best to address the problems of the cane growers. While the cane growers welcomed the guaranteed cane price of \$85 per tonne, the industry with the Governments assistance is putting in every effort to reduce the cost of cane production to ensure maximum returns to the growers.

MECHANICAL HARVESTING

The Sugar Industry across the world is facing a serious labour problem especially for cane harvesting. With Fiji being no exception, the Sugar Industry has started to move towards mechanization. A number of Cane Farmer Co-operatives and individual investors have purchased mechanical cane harvesters to arrest the ever-growing problem. The formation of growers Cooperatives, Government's support to Cooperatives and Investments done by fair trade organizations and FSC has greatly assisted the industry in moving toward mechanization. In 2018 season, 50 mechanical harvesters operated in the cane belt and harvested 496,202 tonnes of cane. This represented 29.2% of total harvest. This has brought relief to many growers struggling to secure manual cutters and has improved harvesting efficiencies and cane supply to the mills.



CONSULTATION MEETINGS

Consultation meetings are one of the major essential service provided by the Council. Subjects for discussion in the meetings are various services offered by SCGC, Government Grant initiatives such as; Cane Planting grant, Cane Access Road, Fertilizer Subsidy, Weedicide Subsidy, Small Grants Scheme, Drainage and Irrigation, New farmers Grant scheme and Corporative Formation, harvesting and transportation issues. Consultation meeting is an ongoing service provided to create awareness amongst growers. A total of 301 meetings were held in 2019 financial year and a total of 4,585 Gowers attended these meetings.



WEEDICIDE SALES

Council has continued to distribute weedicide to the growers under the government subsidy program. All of these weedicides are available from South Pacific Fertilizers Company Limited and are made accessible to all registered cane growers nationwide from Council's eight district offices. Under this program grower only pays 45% percent of the retail price while 55% is subsidized by the government.

The total weedicide sales during the last fiscal year is valued at \$2,363,108.93. The weedicide is obtained from SPFL and payment to SPFL is made upon receiving payments from FSC which is deducted from the growers' cane proceeds.

Weedicide sales (August 2018 to July 2019)

	Diuron 80		Amine 720		Glyphosate 360		Valpar King		Total
	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Amount
Rakiraki	9,939	\$ 95,613.18	3,890	\$ 65,818.80	2,602	\$ 35,855.56	3,051	\$ 38,412.09	\$ 235,699.63
Tavua	5,383	\$ 51,784.46	3,416	\$ 57,798.72	2,483	\$ 34,215.74	3,771	\$ 47,476.89	\$ 191,275.81
Ba	21,334	\$ 205,233.08	10,585	\$ 179,098.20	7,749	\$ 106,781.22	12,310	\$ 154,982.90	\$ 646,095.40
Lautoka	10,491	\$ 100,923.42	4,732	\$ 80,065.44	2,427	\$ 33,444.06	3,539	\$ 44,556.01	\$ 258,988.93
Nadi	11,085	\$ 106,637.70	4,764	\$ 80,606.88	2,496	\$ 34,394.88	1,981	\$ 24,940.79	\$ 246,580.25
Sigatoka	2,865	\$ 27,561.30	1,714	\$ 29,000.88	664	\$ 9,149.92	703	\$ 8,850.77	\$ 74,562.87
Labasa	14,695	\$ 141,365.90	11,165	\$ 188,911.80	8,490	\$ 116,992.20	5,138	\$ 64,687.42	\$ 511,957.32
Seqaqa	4,988	\$ 47,984.56	3,614	\$ 61,148.88	2,184	\$ 30,095.52	4,664	\$ 58,719.76	\$ 197,948.72
Total	80,780	\$ 777,103.60	43,880	\$ 742,449.60	29,095	\$ 400,929.10	35,157	\$ 442,626.63	\$ 2,363,108.93

CANE KNIVES SALES

Council has continued to assist growers by facilitating sale of Cane knives from all the district offices at very affordable price of \$18 per set. Each set includes a cane knife, pair of hand gloves and file and a total of 967 sets were sold from 1st August 2018 to 31st July, 2019. With the introduction of mechanical harvesting, the sale of knives from the district offices has dropped.

SMALL GRANTS SCHEME

The Government had allocated \$1m for Small Grant Scheme (SGS), to accommodate requests from the registered sugarcane growers to improve their livelihood through improved cane production and income generating projects. Assistance allowed for under the SGS programme included the following:

- 1) Fencing Materials
- 2) Farm Implements and Tools
- 3) Farm Machineries
- 4) Irrigation Implements including boreholes
- 5) Water Tanks
- 6) Water Pumps

The Council facilitated the implementation of the projects through various SCGC district offices. Growers were assisted in completing the application forms and submitted to Ministry of Sugar for approval. The administration and monitoring of all successful applications was done by the Council.

For the period ending 31st July 2019, SCGC had received a total of 217 approved applications from Ministry of Sugar with a total value of \$978,925.13. A total of 214 committed Local Purchase Orders (LPOs) had been issued and 2 transfers have been made as at 31st July 2019 with a total value of \$965,461.18. We had utilized a total of \$932,442.72 from the SGS Grant account for the 210 completed transactions from the 216 committed.

DRAINAGE AND IRRIGATION

The Council assisted growers in completing the expression of Interest forms for drainage and irrigation which was later submitted to Ministry of Waterways in the Western and Northern division. The drainage and irrigation grant program aims to rehabilitate existing drainage system. Upon submission of forms by SCGC to Ministry of Waterways, surveys are conducted and approval for project implementation is done accordingly by the Ministry.

Drainage Applications from 01 August 2018 till 31st July 2019

Lautoka	Nadi	Sigatoka	Ba	Tavua	RakiRaki	Labasa	Seaqaqa	Total
58	126	18	113	61	178	11	32	597





GROWERS BUNDLED MICRO INSURANCE SCHEME

The Growers bundled micro insurance scheme was launched on 25th November 2017 at SCGC hall which provides insurance cover to over 12,000 cane growers of Fiji. This initiative is a partnership between Fiji Care, United Nations - Pacific Financial Inclusion (PFIP) and SCGF.

The bundled insurance has a combined cover limit of \$10,000 per insured person for a cost or premium of \$52 per year. The premium would be paid over three years by SCGF as aggregator in an effort to explain and instill the benefits of being protected by insurance and to encourage growers to take up insurance themselves upon completion of this term. SCGC and FSC had also contributed \$10,000 each towards the project.



GROWERS VOLUNTARY FNPf SCHEME

A Memorandum of Understanding was signed on 21st of September 2017 at FSC Head Office between FNPf, SCGC and FSC. The MOU would allow FSC to facilitate deduction from the 3rd cane payment towards the voluntary FNPf scheme. This gives a great opportunity to the growers and their families and cane cutters to save for their retirement. For the period 1st August 2018 to 31st July 2019, a total of 18 growers have registered under this scheme.



CANE PLANTING GRANT

Cane Planting Grant (CPG) is a "cash back incentive" whereby growers receive 50% of payment after land preparation and balance of 50% upon planting and successful germination of the crop. FSC is the custodian of this Grant program and SCGC assists with monitoring and verification of the project. SCGC together with FSC are conducting awareness to encourage growers to utilize the funds to bring more area under cane, to plough out uneconomical ratoons and do replanting to improve farm productivity.





NATIONAL SUGAR INDUSTRY POLICY

In 2017, a National Sugar Sector Policy framework was prepared by Ministry of Sugar in consultation with Industry Stakeholders and Office of the Solicitor General. A credible National Sugar Industry Policy has become a necessity requiring its formulation to access funding from the Sustainable Rural Livelihood program developed under the EU's EDF 11 program. EU had made commitment to continue to support the sugar industry with an allocation of 20 million euros under EDF 11 program for both sugar and non-sugar sector. EDF 11 funding will be made available through budget support under the Fiji-EU National Indicative Program for the period 2014-2020. Ministry of Sugar was tasked with the development of the policy document in consultation with the industry stakeholders. For the grower's input in the policy document, a widespread consultation were carried out across all the cane belt area in early 2019. All the industry stakeholders participated in the above. Our Chief Executive Officer and General Manager Operations were also part of the team. SCGC was tasked to organise the logistics for meetings in respective sectors and conduct awareness for the consultation amongst growers. SCGC also took the lead and chaired all the consultation meetings. The CEO of SCGC was also the Chairperson for the Harvesting and Transport sub-committee.

CANE ACCESS ROAD

The Cane Access Road (CAR) maintenance works in all the mill areas progressed as expected. As at 31st of July 2018, 94 percent of roads were completed. The CAR project was administered by FSC, however, SCGC engaged in monitoring, attending to grower request, disputes and rectifying issues that ascended as the work progressed.





LEGAL SERVICES

SCGC provides a wide range of legal services to the cane growers at a very reasonable cost. The demand for our legal services is increasing with not only in conveyancing matters but also growers tend to come and seek legal advice and also request for mediation in dispute cases in consultation with the lawyer. Council lawyer had also attended around 10 mediation cases upon grower's request. The scope of legal services has increased on growers' demand for example, drafting Tenancy agreements, employment agreements, security agreements and also providing legal advice to them. The lawyer also assists in witnessing growers' lease documents, agreements and other legal documents.



OTHER GROWER SERVICES

A wide range of other services were provided to the growers throughout the Council's 8 cane growing district offices and the Head office. Services provided by the Council have helped the growers to save thousands of dollars. Despite the downsizing of the Council, the Administrative Arm continues to strive to the ultimate goal of the interest of the registered cane growers of the nation. The types of services have increased and so has the number of growers benefiting from the same. Some of the key services provided by Council on a district by district basis during the year are shown below. Various types of Administrative services are being provided. These services are provided promptly and free of charge to all registered growers.

Activities (1 st August 2018- 31 st July 2019) Report									
Growers Services	Rakiraki	Tavua	Ba	Lautoka	Nadi	Sigatoka	Labasa	Seaqaqa	Total
CPG Verification	574	627	2696	1057	766	280	212	66	6278
Cane Access Road	154	184	236	370	347	203	495	150	2139
Drainage Report	149	159	241	122	7	40	137	362	1217
Small Grant Scheme	21	1	15	40	0	31	90	360	558
New Farmers Assistance	18	1	5	10	0	39	234	10	317
	916	972	3193	1599	1120	593	1168	948	10509
Substitute/Cutters Agreement	54	184	129	237	118	47	226	25	1020
MOGA	17	25	359	6	266	30	167	33	903
COR amendment Application	23	22	105	90	6	23	33	78	380
New Registration	7	3	25	41	8	15	41	15	155
COR replacement	6	6	14	74	8	5	26	14	153
Gang Matters	153	127	6	20	38	194	110	307	955
Gang Rationalization	5	2	41	6	0	0	29	25	108
Split Registration	8	1	0	4	4	9	6	37	69
	273	370	679	478	448	323	638	534	3743
Increase Harvesting Rates	133	213	592	94	126	44	101	88	1391
Cane Payment	89	451	12	63	97	140	322	180	1354
Individual Harvesting	161	216	20	1	0	0	0	1	399
Substitute Dispute	16	42	6	0	4	10	75	28	181
Burnt Cane Report	94	55	18	10	1	4	111	26	319
Gang Disputes	1	37	4	10	6	24	37	34	153
Land Rent Appeal/Renew	133	87	3	13	1	16	7	24	284
Crop Damage Report	2	16	11	11	19	62	1	41	163
Harvesting Bond	5	2	1	1	0	0	54	77	140
Additional Ticket Book	16	0	0	0	0	0	43	15	74
	650	1119	667	203	254	300	751	514	4458
Weedicide Sales/Distribution	2662	2168	5576	2480	2617	979	4932	1772	23186
Knife Sale/Distribution	17	50	62	48	129	35	18	32	391
	2679	2218	5638	2528	2746	1014	4950	1804	23577
Income Tax Return	995	546	1284	532	491	224	931	317	5320
Lorry Wheel Tax Declaration	30	11	54	71	27	12	55	13	273
VAT returns	0	4	3	64	1	6	15	0	93
Legal Services	182	218	185	415	94	180	117	243	1634
Transfer of Registration	34	57	42	13	3	11	10	17	187
Land rent object/Transfer	0	12	4	14	0	2	2	6	40
	1241	848	1572	1109	616	435	1130	596	7547
Gang Consultations Meeting	565	401	706	296	404	199	1168	339	4078
General Services/Enquires	1855	1003	1753	936	1361	252	725	1579	9464
Total	8179	6931	14208	7149	6949	3116	10530	6314	63,376



GROWER CONSULTATION MEETINGS - encourage & promote Government initiative programs & Cane development. Also discussing Issues on harvesting, Milling & transportation.

INCOME TAX/ VAT RETURNS - Preparation of the returns for growers and lodged to FRCS

MOGA - Record, reference and review

LAND LEASE RENWALS/RENT APPEALS - corresponding to Lands and ILTB on behalf of Growers



SUBSTITUTE AGREEMENT - draft harvesting agreement between growers and Substitutes

SUBSTITUTE DISPUTE - resolving disputes arising from harvesting agreements.

CANE ACCESS ROAD - Closely working with MoS & FSC; Road committees for maintenance/ upgrading & we assist by monitoring, attending to Grower requests, disputes & rectifying issues that ascended as the work progressed.

NEW REGISTRATION - Draft and make applications to SIT/ Inspection.

TRANSFER OF REGISTRATION - Draft documents, obtain FSC consent & make application to SIT



COR AMENDEMENT & REPLACEMENT- draft & lodge respective forms to SIT.

GANG MATTERS- receive & attend to complaints

GANG DISPUTES - arrange meetings/mediation to resolve and/or forward to SIT for decision.

GANG MEETINGS - encourage & promote the functions of the gangs through the harvesting season to improve productivity. ensure MOGA is adhered to & all cane delivered to mill.

GANG RATIONALIZATION - we arrange/mediate growers, gangs, FSC & SIT



INCREASE HARVESTING RATES- apply & recommend to SIT

INDIVIDUAL HARVESTING - assist with Growers request to harvest on their own

ADDITIONAL TICKET BOOK - prepare requests, arrange release from gang, liase with FSC

LORRY WHEEL TAX - prepare statutory Declaration & exemption letters

BURNT CANE - Writing report, arranging with FSC/ Gangs for assistance

GOVERNMENT INITIATIVE PROGRAMS - CPG (Verification & monitoring)/ Drainage/ SGS - form filling & lodging to respective Ministries



CANE PAYMENT - apportionment of cane proceeds for estate farms/ share farming & liasing with FSC, SCGF, Banks & other authorities.

WEEDICIDE - distribution through commodity forms

KNIFE SALES - combo package including 1 knife, 1 file & a pair of handgloves

BOND DISPUTES - arrange meetings to resolve upon receiving complaints

CROP DAMAGE/DROUGHT- inspect/prepare reports



HARVESTING BOND - penalty by Gang to harvest certain amount of cane, arrange meeting to resolve upon receiving complaints.

LEGAL SERVICES- drafting/lodging/Stamping & follow ups on transfer, TBD, sales & purchase agreements, deed, mortgage, POA, Probates, LOA, LA De Bonis Non, Instrument of Tenancy, wills, Other conveyance matters. Also attending to mediations & grower disputes.

GENERAL SERVICES - Letter writing, follow up on behalf of growers, accept & receive forms, photocopying

ENQUIRIES - any form of enquiry about sugar Industry

SUGAR CANE GROWERS COUNCIL

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

Contents

Member's report.....	2-3
Independent auditor's report.....	4-5
Statement of comprehensive income and accumulated funds.....	6
Statement of financial position.....	7
Statement of cash flows.....	8
Notes to the financial statements.....	9-19
Disclaimer on additional financial information.....	20

Detailed Financial Information

Detailed income statement.....	21-22
--------------------------------	-------

SUGAR CANE GROWERS COUNCIL
MEMBER'S REPORT
FOR THE YEAR ENDED 31 JULY 2019

In accordance with a resolution of the stakeholders, the Council herewith submit the statement of financial position of Sugar Cane Growers Council ("the Council") as at 31 July 2019, the related statement of comprehensive income and accumulated funds and statement of cash flows for the year ended on that date and report as follows:

Members

The name of the Members at the date of this report and at any time during the financial year period and up till the date the financial statement were authorised for issue are as follows:

- Sanjay Kumar
- Abdul Samim
- Ami Chandra
- Devend Dharmend Nath
- Radha Krishna
- Pradip Kumar (resigned on 16 February 2019)
- Nand Kishore (resigned on 9 July 2019)
- Rashmir Singh (resigned on 9 July 2019)
- Jovesa Vocea (resigned on 31 December 2019)
- Joji Satakala (resigned on 31 December 2019)

State of affairs

In the opinion of the Members the accompanying statement of financial position gives a true and fair view of the state of affairs of the Council as at 31 July 2019 and the accompanying statement of comprehensive income and accumulated funds and the statement of cash flows give a true and fair view of the results, changes in funds employed and cashflows of the Council for the year year then ended.

Principal activity

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

Results

The total comprehensive loss for the year amounted to \$51,456 (7 months to 31 July 2018: total comprehensive income \$39,621)

Current assets

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

As at the date of this report, the Member are not aware of any circumstances, which would render the values attributed to current assets in the Council's financial statements misleading.

Receivables

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

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

Related party transactions

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

SUGAR CANE GROWERS COUNCIL
MEMBER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Basis of accounting

The Members believe the basis of the preparation of the financial statements is appropriate and that the Council will be able to continue in operation for at least twelve months from the date of this statement. Accordingly, the Members believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

Unusual transactions

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the Member, the results of the operations of the Council during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the Members, to affect substantially the results of the operations of the Council in the current financial year, other than those reflected in the financial statements.

Events subsequent to balance date

The Chief Executive Officer (Mr. Sundresh Chetty) retired from the council effective 31 December 2019.

On 26 November 2019, South Pacific Fertilizers Pte Limited declared an interim dividend of \$600,000 for the financial year 2019. The council's portion of dividend income amounts to \$56,400.

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. We have not seen a significant impact on our operations to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and our operations. The scale and duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition. It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. We do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the council at this time. The financial statements have been prepared based upon conditions existing at 31 July 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 July 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 July 2019 for the impacts of COVID-19.

Apart from the exceptions above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

Other circumstances

As at the date of this report :

- (i) no charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Council could become liable; and
- (iii) no contingent liabilities or other liabilities of the Council has become or is likely to become enforceable within the year of twelve months after the end of the financial year which, in the opinion of the Member, will or may substantially affect the ability of the Council to meet its obligations as and when they fall due.

As at the date of this report, the Members are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Council's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.

For and on behalf of the stakeholders in accordance with a resolution of the Members this 18th day of March 2020.



Council member



Council member

Independent Auditor's Report

To the Member of Sugar Cane Growers Council Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sugar Cane Growers Council ("the Council"), which comprise the statement of financial position as at 31 July 2019, the statement of comprehensive income and accumulated funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Council as at 31 July 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Opinion

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

Emphasis of Matter: Subsequent Events - Impact of the Coronavirus (COVID-19) Outbreak

We draw attention to Note 17 of the financial statements which notes the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 July 2019 and how this has been considered by the Directors in the preparation of the financial statements. As set out in Note 17, no adjustments have been made to financial statements as at 31 July 2019 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

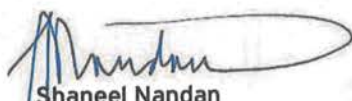
- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Ernst & Young
Chartered Accountants



Shaneel Nandan
Partner
Lautoka, Fiji
18th March 2020

SUGAR CANE GROWERS COUNCIL
STATEMENT OF COMPREHENSIVE INCOME AND ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 JULY 2019

	Notes	12 months to 31 July 2019	7 months to 31 July 2018
		\$	\$
Sale of weedicide		2,160,898	812,325
Cost of sales -weedicide		(2,189,217)	(826,299)
Gross loss		(28,319)	(13,974)
Grant income	2.1	1,198,569	667,146
Other income	2.2	434,936	322,341
Administrative expenses	2.3	(608,490)	(366,358)
Other operating expenses	2.4	(1,071,914)	(581,504)
		(75,218)	27,651
Finance income	2.6	23,762	11,970
(Deficit) /surplus before income tax		(51,456)	39,621
Income tax expense		-	-
Net (deficit)/surplus for the year		(51,456)	39,621
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year, net of tax		(51,456)	39,621
Accumulated fund at the beginning of the year		3,652,043	3,612,422
Accumulated fund at the end of the year		3,600,587	3,652,043

The accompanying notes form an integral part of the statement of comprehensive income and accumulated funds.

SUGAR CANE GROWERS COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019

	Notes	2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	3	904,864	1,783,592
Held to maturity investments	4	650,000	450,000
Inventories - finished goods		42,965	33,153
Receivables	5	1,671,242	1,085,816
Prepayments	6	83,451	31,023
		<u>3,352,522</u>	<u>3,383,584</u>
Non-current assets			
Property, plant and equipment	8	1,187,541	1,292,272
Intangible assets	9	2,923	4,279
Investments	7	772,820	686,805
Held to maturity investments	4	100,000	100,000
		<u>2,063,284</u>	<u>2,083,356</u>
Total assets		<u>5,415,806</u>	<u>5,466,940</u>
Current liabilities			
Deferred income	11	6,442	2,133
Trade and other payables	10	1,734,684	1,153,163
Unexpended project fund	12	11,536	610,244
Employee benefits	13	51,804	27,853
		<u>1,804,466</u>	<u>1,793,393</u>
Non-current liabilities			
Deferred income	11	10,753	21,504
Total liabilities		<u>1,815,219</u>	<u>1,814,897</u>
Net assets		<u>3,600,587</u>	<u>3,652,043</u>
Funds employed			
Funds employed		<u>3,600,587</u>	<u>3,652,043</u>
Total funds employed		<u>3,600,587</u>	<u>3,652,043</u>

Signed on behalf of the Board.



Council member



Council member

The accompanying notes form an integral part of the statement of financial position.

SUGAR CANE GROWERS COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019

	Notes	12 months to 31 July 2019 \$	7 months to 31 July 2018 \$
Cash flows from Operating Activities			
Receipts of growers levy from Fiji Sugar Corporation		2,098	2,050
Receipts from weedicide sales		1,573,374	1,110,836
Government grant received		593,419	1,225,257
Other receipts		348,921	214,378
Payments to suppliers and employees		(3,201,172)	(2,065,294)
Net cash (used in) / provided by operating activities		<u>(683,360)</u>	<u>487,227</u>
Cash flows used in Investing Activities			
Interest received	2.6	23,762	11,970
Acquisition of property, plant and equipment	8	(19,130)	(8,706)
Investment in term deposits	4	(200,000)	(100,000)
Net cash flows used in investing activities		<u>(195,368)</u>	<u>(96,736)</u>
Net (decrease)/increase in cash and cash equivalents		(878,728)	390,491
Cash and cash equivalents at 1 August		1,783,592	1,393,101
Cash and cash equivalent at 31 July	3	<u>904,864</u>	<u>1,783,592</u>

Material non-cash investing activity related to re-investment of dividend income earned in Unit Trust of Fiji (refer note 15).

The accompanying notes form an integral part of the statement of cash flows.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1.1 Reporting entity

The financial statements of Sugar Cane Growers Council for the year ended 31 July 2019 were authorised for issue in accordance with a resolution of the Council members on 18th March 2020. Sugar Cane Growers Council ("the Council") is a body corporate domiciled in Fiji, established under the Sugar Industry Amendment Bill 2015. The address of the Council's registered office is 74 Drasa Avenue, Lautoka.

The principal activity of the Council is described in Note 19.

1.2 Basis of preparation of financial statements

The financial statements of the Council have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board.

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

1.3 Summary of significant accounting policies

(a) Foreign currency translation

The Council's financial statements are presented in Fijian dollar, which is also the Council's functional currency.

Transactions in foreign currencies are initially recorded by the Council at the functional currency rates prevailing the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the currency rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.

(b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured in accordance with realisation principle, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and consumption tax. The following specific criteria must also be met before revenue is recognised:

Levy income

Levy income for any financial year is approved by the Council and certified by the Tribunal Accountant at the beginning of the crushing season in accordance with Sections 51 and 53 of the Sugar Industry Act of 1984 and recorded in profit or loss on an accrual basis. Growers levies are determined under the Master Award and regulated under the Sugar Industry Act 1984 s(53). The collection of levies by the Fiji Sugar Corporation is deducted from the grower's share of proceeds of sale of sugar, molasses and other by-products. Effective 1 January 2016, the growers levy was replaced by the government grant to meet the administrative and operational expenses of the Council.

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.

Government and European Union Grant

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

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2019

1.3 Summary of significant accounting policies (continued)

(b) Revenue recognition (continued)

Other income

Other income from operating activities are recognised in profit or loss on an accrual basis.

Dividend income

Dividend income is recognised from investment in South Pacific Fertilizer Pte Limited. The Council has 9.4% stake in the company. This investment was written down in the accounts in prior years considering the going concern risk of the investee.

Rental income

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

(c) Income tax

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

(d) Financing income

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

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any.

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 carrying amount of the property, plant and equipment, and is recognised net within other income/ other operating expenses in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

(f) Financial instruments

(i) Non- derivative financial asset

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

1.3 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(i) Non- derivative financial asset (continued)

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 receivable.

Trade and other receivables

Sales are generally on the basis of normal credit terms, and the receivables do not bear interest. Trade receivables are initially measured at their transaction price. Where credit is extended beyond normal credit terms or otherwise the arrangement constitutes a financing transaction, receivables are initially measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument. Subsequently measurement is at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with a maturity of three months or less. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

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 recognised initially at fair value plus any directly attributable transaction costs. Held to maturity financial assets comprise of 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 purchases 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 of investments in Unit Trust of Fiji.

(ii) Non- derivative financial liability

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

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

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2019

1.3 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Non-derivative financial liability (continued)

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 of payable and other accruals.

(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 required. 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.

Financial assets measured at amortised cost

The Council considers evidence of impairment for financial assets at amortised cost at a specific asset level.

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

(ii) Impairment of non-financial assets

The Council assesses at each reporting date whether there is an indication that an asset may be impaired. Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(h) Employee benefits

(i) Defined contribution plan / superannuation

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

(ii) Annual leave and long service leave

Annual leave and long service leave with respect to employee's services up to the reporting date, measured at the amounts expected to be paid when the liabilities are settled, are accrued for under employee benefits. Long service leave is payable once the staff has served for more than 10 years or 15 years.

(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.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2019

1.3 Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

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

(i) Inventories

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

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

(j) Deferred income

Computer equipment acquired via donation from the European Union are capitalised and depreciated in accordance with Note 1.3 (e), with the related grant being credited to deferred income as the liability and released to profit or loss over the expected useful economic life.

(k) Unexpended project funds

Unutilised donor monies at year end used for cash grant which is received for utilization in more than one financial period is treated as unexpended project funds.

(l) Intangibles

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

(m) Leases

Leases are classified as operating leases. Rental payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

(n) Value Added Tax (VAT)

The Council complies with VAT under the Second Schedule of the VAT Decree 1991.

(o) Comparative figures

Comparative amounts presented in the financial statements are not entirely comparable, since the Council changed its reporting period end from 31 December to 31 July in the last period (12 months versus 7 months). Comparative figures have been amended where necessary, for changes in presentation in the current year.

	12 months to 31 July 2019 \$	7 months to 31 July 2018 \$
2. Revenue and expenses		
2.1 Grant income		
Government - Sugar levy	593,419	345,064
- Small Grant Scheme (refer Note 2.4)	598,708	288,839
	<u>1,192,127</u>	<u>633,903</u>
 The Pacific Community - Trainer for Farmers Organisation	 -	 31,110
The Pacific Community - Donated assets	6,442	2,133
	<u>6,442</u>	<u>33,243</u>
 Grant income	 <u>1,198,569</u>	 <u>667,146</u>

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2019

	12 months to 31 July 2019	7 months to 31 July 2018
2. Revenue and expenses (continued)	\$	\$
2.2 Other income		
Dividend income	70,005	32,059
Gain on investments carried at fair value	63,010	85,303
Gain on sale of property, plant and equipment	-	1,376
Rental income	83,401	45,131
Legal income	70,044	36,824
Knife sales	15,838	6,341
Insurance proceeds	-	6,826
Directors fees and hall hire	60,607	31,427
Small Grant Scheme administration fee	-	18,349
Weedicide administration fee	72,031	58,705
	<u>434,936</u>	<u>322,341</u>
2.3 Administrative expense	\$	\$
Bank charges	993	784
Meeting costs	18,874	6,498
Personnel expenses (refer note 2.5)	588,623	359,076
	<u>608,490</u>	<u>366,358</u>
2.4 Other operating expenses	\$	\$
Advertising	1,692	550
Audit fees	6,447	7,013
City rates	679	393
Cleaning	11,840	5,466
Depreciation and amortisation	125,217	70,857
Donation	450	100
Electricity	23,617	11,994
Fringe benefit tax	2,499	1,483
Freight and cartage	-	795
Contribution to growers insurance	-	10,000
Growers accountant's fees	5,000	3,165
Hospitality	2,329	759
Insurance	17,343	17,055
Information technology	3,937	2,596
Legal department expenses	47,633	25,911
Medical expenses	13,534	6,881
Motor vehicle expenses	31,455	17,005
Office expenses	8,801	4,592
Postage	3,748	2,198
Professional services	3,406	8,586
Purchase of knives	7,380	9,381
Rent	41,319	22,677
Repairs and maintenance	59,335	11,126
Security expenses	7,044	4,191
Staff training	769	16,104
Stationery and printing	18,050	13,082
Subscriptions	6,902	3,073
Small Grant Scheme supplier payments	598,708	288,839
Telephone	21,786	13,456
Water rates	994	2,176
	<u>1,071,914</u>	<u>581,504</u>

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2019

	12 months to 31 July 2019	7 months to 31 July 2018
2.5 Personnel expenses	\$	\$
Annual and long- service leave	28,568	27,853
Fiji National Provident Fund (FNPF) contributions	36,758	22,422
Key management compensation - short term benefit	135,225	102,293
- FNPF	17,764	13,577
Fiji National University Levy	5,114	3,275
Wages and salaries	365,194	189,656
	<u>588,623</u>	<u>359,076</u>
2.6 Finance income	\$	\$
Interest income	<u>23,762</u>	<u>11,970</u>
3. Cash and cash equivalents	2019	2018
	\$	\$
Cash at bank	902,584	1,781,312
Cash on hand	2,280	2,280
Cash and cash equivalents in the cash flow statements	<u>904,864</u>	<u>1,783,592</u>
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise of the following statement of financial positions amounts:		
	\$	\$
Cash at bank and on hand	<u>904,864</u>	<u>1,783,592</u>
	<u>904,864</u>	<u>1,783,592</u>
4. Held to maturity investments	\$	\$
Current	650,000	450,000
Non-current	100,000	100,000
	<u>750,000</u>	<u>550,000</u>
The interest rate on term deposits ranges from 4% to 5.75% per annum (2018: 3.25% to 5.25% per annum). The deposits have an average maturity ranging from 76 days to 688 days (2018: 365 days to 720 days).		
5. Receivables	\$	\$
Growers levy receivable from The Fiji Sugar Corporation Limited	696,523	698,621
Less: Provision for doubtful debts	<u>(696,523)</u>	<u>(698,621)</u>
	<u>-</u>	<u>-</u>
	\$	\$
Receivable from the Fiji Sugar Corporation Limited for sale of weedicide	1,653,213	1,039,435
European Union grant receivable	-	15,555
VAT receivable	412	16,591
Other receivables	17,617	14,235
	<u>1,671,242</u>	<u>1,085,816</u>
<u>Movement in provision for doubtful debts</u>		
Balance as at 1 August	698,621	700,671
Recoveries	<u>(2,098)</u>	<u>(2,050)</u>
Balance as at 31 July	<u>696,523</u>	<u>698,621</u>

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2019

	2019	2018
	\$	\$
6. Prepayments		
Prepayments and sundries	83,451	31,023
7. Investments		
<u>Unit Trust of Fiji</u>	\$	\$
This represents investment in Unit Trust of Fiji of 324,714 units (2018: 315,048 units) at \$2.38 (2018: \$2.18)	772,820	686,805
Reconciliation of investment in Unit Trust of Fiji		
Balance as at 1 August	686,805	578,842
Additions units acquired during the year	23,005	22,660
Gain on remeasurement investment to fair value	63,010	85,303
Balance as at 31 July 2019	772,820	686,805
<u>Fiji Sugar Corporation</u>		
This represents investment in Fiji Sugar Corporation	29,850	29,850
Less provision for impairment	(29,850)	(29,850)
	-	-

8. Property, plant and equipment

Cost

	Fixtures and Fittings	Plant and Equipment	Motor Vehicles	Land and Buildings	Total
As at 31 December 2017	123,656	456,789	353,854	1,352,638	2,286,937
Additions	5,618	28,170	-	688	34,476
Disposals	(1,400)	-	-	-	(1,400)
At 31 July 2018	127,874	484,959	353,854	1,353,326	2,320,013
Additions	5,596	7,479	-	6,055	19,130
Disposals	(2,356)	(32,948)	-	-	(35,304)
At 31 July 2019	131,114	459,490	353,854	1,359,381	2,303,839

Accumulated depreciation

	Fixtures and Fittings	Plant and Equipment	Motor Vehicles	Land and Buildings	Total
As at 31 December 2017	121,796	437,770	35,892	362,826	958,284
Depreciation charge for the year	764	8,360	51,382	10,351	70,857
Disposals	(1,400)	-	-	-	(1,400)
At 31 July 2018	121,160	446,130	87,274	373,177	1,027,741
Depreciation charge for the year	2,607	14,200	88,463	18,591	123,861
Disposals	(2,356)	(32,948)	-	-	(35,304)
At 31 July 2019	121,411	427,382	175,737	391,768	1,116,298
Net book value					
At 31 July 2019	9,703	32,108	178,117	967,613	1,187,541
At 31 July 2018	6,714	38,829	266,580	980,149	1,292,272

Donated assets included in plant and equipment (refer Note 11).

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2019

	2019	2018
9. Intangible assets	\$	\$
Computer software	11,266	11,266
Less: accumulated amortisation	(8,343)	(6,987)
	<u>2,923</u>	<u>4,279</u>

10. Trade and other payables	\$	\$
Payables and accruals	79,955	42,582
South Pacific Fertilisers Limited	1,654,729	1,110,581
	<u>1,734,684</u>	<u>1,153,163</u>

11. Deferred income

Donated assets

Donor	Opening Balance	Funds Received during the year	Utilized during the year	Balance at 31 July 2019
	\$	\$	\$	\$
Small Grant Scheme	23,637	-	(6,442)	17,195
Total	<u>23,637</u>	<u>-</u>	<u>(6,442)</u>	<u>17,195</u>

Disclosed as:	2019	2018
Current	\$ 6,442	\$ 2,133
Non-current	10,753	21,504
Total	<u>17,195</u>	<u>23,637</u>

12. Unexpended project fund

Donor	Opening Balance	Funds Received during the year	Utilized during the year	Balance at 31 July 2019
	\$	\$	\$	\$
Small Grant Scheme	610,244	-	(598,708)	11,536
Total	<u>610,244</u>	<u>-</u>	<u>(598,708)</u>	<u>11,536</u>

13. Employee benefits	2019	2018
Balance at 1 August	\$ 27,853	\$ 41,384
Arising during the year	28,568	7,767
Leave utilised during the year	(4,617)	(21,298)
Balance at 31 July	<u>51,804</u>	<u>27,853</u>

14. Related parties

(a) The Members

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

- Sanjay Kumar
- Abdul Samim
- Ami Chandra
- Devend Dharmend Nath
- Radha Krishna

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2019

14. Related parties (continued)

(a) The Members (continued)

- Pradip Kumar (resigned on 16 February 2019)
- Nand Kishore (resigned on 9 July 2019)
- Rashmir Singh (resigned on 9 July 2019)
- Joji Satakala (resigned on 31 December 2019)
- Jovesa Vocea (resigned on 31 December 2019)

(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 and Sugar Cane Growers Fund.

	2019	2018
(c) Amounts receivable from / (payable to) related parties	\$	\$
Payable to South Pacific Fertilizers Limited	(1,654,729)	(1,110,581)
Receivable from Fiji Sugar Corporation Limited for sale of weedicide	1,653,213	1,039,435
Growers levy receivable from The Fiji Sugar Corporation	<u>696,523</u>	<u>698,621</u>

(d) Transactions with relates 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 relates parties during the year is as follows:

	12 months to 31 July 2019	7 months to 31 July 2018
	\$	\$
Purchase of weedicide from South Pacific Fertilizers Limited	2,189,217	838,201
Sale of weedicide to The Fiji Sugar Corporation Limited	2,160,898	855,158
Sitting allowance to members	21,600	21,600
Rental income from Sugar Cane Growers Fund	<u>83,401</u>	<u>45,131</u>

(e) Transactions with key management personnel

Key management personnel includes the Chief Executive Office and General Manager Operations

In addition to their salary, the Council also provides non cash benefits to the key management personnel. Key management compensation is disclosed in Note 2.5.

15. Material non- cash investing activity	\$	\$
Re- investment of dividend income earned in Unit Trust of Fiji	<u>23,005</u>	<u>22,660</u>

16. Commitments and contingencies

- (i) Contingent liability - \$nil (2018:\$nil)
- (ii) Capital expenditure commitments - \$nil (2018:\$nil)
- (iii) Finance lease commitments - \$nil (2018:\$nil)
- (iv) Operating lease commitments - \$nil (2018:\$nil)

17. Subsequent events

The Chief Executive Officer (Mr. Sundresh Chetty) retired from the council effective 31 December 2019.

On 26 November 2019, South Pacific Fertilizers Pte Limited declared an interim dividend of \$600,000 for the financial year 2019. The council's portion of dividend income amounts to \$56,400.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2019

17. Subsequent events (continued)

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. We have not seen a significant impact on our operations to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and our operations. The scale and duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition. It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. We do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the council at this time. The financial statements have been prepared based upon conditions existing at 31 July 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 July 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 July 2019 for the impacts of COVID-19.

Apart from the exceptions above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

18. Segment Information

Industry segment

The Council operates predominantly in the sugar industry.

Geographical segment

The Council operates predominantly in Fiji and is therefore one geographical area for reporting purposes.

19. Principal business activity

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

Number of employees

As at balance date, the Company employed a total of 28 employees (2018: 27).

SUGAR CANE GROWERS COUNCIL
DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 JULY 2019

The additional financial information, being the attached detailed Income Statement has been compiled by management of Sugar Cane Growers Council.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than Sugar Cane Growers Council may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

SUGAR CANE GROWERS COUNCIL
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2019

	12 months to 31 July 2019	7 months to 31 July 2018
Income	\$	\$
Sales	2,160,898	812,325
Cost of sales	(2,189,217)	(826,299)
Gross loss	(28,319)	(13,974)
Government grant	1,192,127	633,903
European Union grant	6,442	33,243
Dividend income	70,005	32,059
Gain on investments carried at fair value	63,010	85,303
Gain on sale of property, plant and equipment	-	1,376
Interest income	23,762	11,970
Rental income	83,401	45,131
Legal income	70,044	36,824
Knife sales	15,838	6,341
Insurance proceeds	-	6,826
Directors fees and hall hire	60,607	31,427
Small Grant Scheme administration fee	-	18,349
Weedicide admin fee	72,031	58,705
Total Income	1,628,948	987,483
Less: Expenditure		
Advertising	1,692	550
Audit fees	6,447	7,013
Bank charges	993	784
City rates	679	393
Cleaning	11,840	5,466
Depreciation and amortisation	125,217	70,857
Donation	450	100
Electricity	23,617	11,994
Fiji National Provident Fund contributions	54,522	35,999
Fiji National University Levy	5,114	3,275
Fringe benefit tax	2,499	1,483
Freight and cartage	-	795
Contribution to growers insurance	-	10,000
Growers accountant's fees	5,000	3,165
Hospitality	2,329	759
Insurance	17,343	17,055
Information technology	3,937	2,596
Legal department expenses	47,633	25,911
Meeting costs- other	18,874	6,498
Medical expenses	13,534	6,881
Motor vehicle expenses	31,455	17,005
Office expenses	8,801	4,592
Postage	3,748	2,198
Professional services	3,406	8,586
Purchase of knives	7,380	9,381
Rent	41,319	22,677

The detailed income statement is to be read in conjunction with the disclaimer on additional financial information on page 20.

SUGAR CANE GROWERS COUNCIL
 DETAILED INCOME STATEMENT
 FOR THE YEAR ENDED 31 JULY 2019 (continued)

	12 months to 31 July 2019	7 months to 31 July 2018
Less: Expenditure (continued)	\$	\$
Repairs and maintenance	59,335	11,126
Security expenses	7,044	4,191
Staff training	769	16,104
Stationery and printing	18,050	13,082
Subscriptions	6,902	3,073
Small Grant Scheme supplier payments	598,708	288,839
Telephone	21,786	13,456
Wages and salaries	528,987	319,802
Water rates	994	2,176
Total expenditure	1,680,404	947,862
Net (deficit)/ surplus	<u>(51,456)</u>	<u>39,621</u>

The detailed income statement is to be read in conjunction with the disclaimer on additional financial information on page 20.



SUGAR CANE GROWERS COUNCIL

OFFICES & CONTACTS

HEAD OFFICE

3rd Floor Cane Growers Building,
75 Drasa Avenue, P.O Box 5162, Lautoka
Tel: 6650466/ 6650395
Fax: 6650624
Mobile: 9928859

LAUTOKA

Ground Floor, SCGC Building,
P.O Box 3696, Lautoka.
Phone: 6663549
Mobile: 9066594

NADI

Nadi Town Council Building,
P.O Box 1503, Nadi.
Phone: 6700499
Mobile: 9047605

SIGATOKA

Aruna Wafi Raju Building
P.O Box 450, Sigatoka
Phone: 6500879
Mobile: 9066596

LABASA

Silas Ramzan Street, Labasa
P.O Box 1429, Labasa
Phone: 8811595
Mobile: 9066585

BA

Vinod Patel & Co. Building,
P.O Box 1694, Ba
Phone: 6674744
Mobile: 9066592

TAVUA

Tavua College Building
P.O Box 620, Tavua
Phone: 6680052
Mobile: 9066568

RAKIRAKI

1st Floor Umarji Building
P.O Box 262, Rakiraki
Phone: 6694533
Mobile: 9066595

SEAQAQA

Natua, Babauwalu Road,
Seaqaqa
P.O Box 61, Seaqaqa
Phone: 8860084
Mobile: 9066591