

Sugar Industry Tribunal





SUGAR INDUSTRY TRIBUNAL

Tribunal Tribunal Accountant Industrial Commissioner Devanesh Sharma Sunil Sharma, BA -USP Timothy Brown, M.B.A, B.A - USP

Phone :6666900/6666920 Fax :6663520

21 September 2023

The Hon. Mr Sitiveni Ligamamada Rabuka Prime Minister & Minister for Sugar P O Box 2353 Government Buildings **SUVA**

Dear Sir

RE: ANNUAL REPORT - 2018

As required by Section 30 of the Sugar Industry Act of 1984, a report on the activities of the Tribunal, the Industrial Commissioner, and the Accountant to the Tribunal is submitted for the period 1st January, 2018 to 31st December, 2018 as well as a report on the extent to which the objects of the Act set out in Section 3 have been achieved.

Also enclosed is a copy of the audited statement of accounts of the Tribunal for the same period prepared in accordance with Section 29 of the Act.

Yours sincerely

(Timothy Brown) REGISTRAR OF THE TRIBUNAL

Encls.

ANNUAL REPORT – 2018

PART I – ESTABLISHMENT

The Sugar Industry Tribunal was established under the Sugar Industry Act Cap. 206. The functions of the Tribunal and its Accountant and Industrial Commissioner are described in Sections 21, 22 and 26 of the Act.

Mr. Devanesh Sharma was appointed the Sugar Industry Tribunal for a term of 3 years with effect from 28th March 2018.

Timothy Brown was reappointed the Industrial Commissioner and Registrar of the Tribunal with effect from 1st August 2016 for a term of three years.

In addition, the Tribunal employed one Personal Assistant, an Assistant Registrar, one Accounts Clerk, one Gang Administrator, an Office Assistant/Driver and a Front Desk Officer.

FINANCE

Section 29 of the Act provides that the expense of the Tribunal is a charge on the consolidated fund. The Government allocated a grant of \$479,947 for 2018.

PART II – OBJECTIVE OF THE ACT

Pursuant to section 30(1) of the Act, the Tribunal is obliged to advise the Hon. Minister for Sugar about the extent to which the objects of the Act have been achieved in the period under review. These are set out in section 3 of the Act as follows:

- To promote the efficiency and development of the industry;
- To co-ordinate the activities of all sections of the industry and to promote goodwill and harmony between them;
- To prescribe standards governing the mutual rights and obligations of the Corporation and the growers, and to provide for the keeping of an official register of growers;
- To encourage, and provide the means for, conciliation with a view to the prevention and settlement of all disputes within the industry by amicable agreement; and
- To provide means for preventing and settling disputes within the industry which are not resolved by amicable agreement with the maximum of expedition and the minimum of legal form and technicality.

The Tribunal warmly acknowledges the support it has had from all parties in the Industry and wishes to record in particular its appreciation for the work of the Industrial Commissioner and Registrar of the Tribunal, the Accountant to the Tribunal and the staff of the office of the Sugar Industry Tribunal in the performance of its functions.

PART III – MASTER AWARD

No amendments done in the year 2018.

PART IV - THE REGISTRAR OF THE TRIBUNAL

NATIONAL HARVEST QUOTA

The Fiji Sugar Corporation did not inform the Tribunal as required under Regulation 5.6(i) of the Master Award that it intends to purchase 100% of the NBA of 2,524,455 tonnes for the 2018 season.

PURCHASE OF ALL CANE 2018

The Fiji Sugar Corporation did not inform the Tribunal of its intention to purchase all cane as required under Regulation 5.6(iv) of the Master Award.

FORECAST PRICE 2018

Under Regulation 19.1(i) of the Master Award the Corporation informed the Tribunal that the likely price for cane for the 2018 season would be \$72.19. This price was discounted by 8.5% margin of error to allow for the possible adverse fluctuations in exchange rates as provided for in the Master Award to arrive at a forecast price of \$66.08 per tonne of cane.

Under normal circumstances the forecast price of cane would be discounted by 15%. The Tribunal after consulting Fiji Sugar Corporation and the Sugar Cane Growers Council approved an amendment to the Master Award to allow FSC to discount the forecast price of cane by 8.5% for the 2018 season only.



COMMENCEMENT OF CRUSHING

Under Regulation 4 of the Master Award, the Corporation is required not later than the 30th of April in each year to submit to the Tribunal and the Council a written statement in respect of each mill specifying the intended date of commencement of crushing, the date on which growers and gangs will be required to commence harvesting, and the date on which, if normal circumstances exist throughout the crushing season, crushing is likely to be completed at each mill.

Regulation 4.1(a) of the Master Award provides that crushing shall commence no later than the third Tuesday of June. In 2018, this day fell on Tuesday, 19th June, 2018.

The Corporation wrote to the Tribunal by letter dated 25th April 2018 advising of its intention to commence crushing for Lautoka, Rarawai and Labasa as follows:

Lautoka Mill	03 rd July 2018
Rarawai Mill	17 th July 2018
Labasa Mill	19 th June 2018

The Tribunal consulted the Chief Executive of the Sugar Cane Growers Council, the Chief Executive Officer of the Fiji Sugar Corporation and the Registrar of the Tribunal and ORDERED on 27th April 2018 that the four mills were authorized to commence crushing on the following dates:-

Lautoka Mill	03 rd July 2018
Rarawai Mill	17 th July 2018
Labasa Mill	19 th June 2018



Tipping of the first load at Lautoka Mill

LIKELY DATES FOR TERMINATION OF CRUSH

Regulation 4.8 of the Master Award requires the Tribunal to announce the dates by which crushing is expected to end at each mill.

The Corporation wrote to the Tribunal by letter dated 26th September 2018 that the likely date for termination of crush for each of the mills is as follows: -

Lautoka Mill	-	28 th November 2018
Rarawai Mill	-	30 th November 2018
Labasa Mill	-	29 th November 2018

The Corporation after reviewing the estimated cane and the impact of wet weather, wrote to the Tribunal by letter dated 17th October 2018 that the likely date for termination of crush in each mills is as follows: -

Lautoka Mill	-	15 th December 2018
Rarawai Mill	-	15 th December 2018
Labasa Mill	-	08 th December 2018

ACTUAL DATES FOR TERMINATION OF CRUSH

The Corporation in their letter dated 03^{rd} December 2018 applied to the Tribunal for the termination of crush in each of the mills as follows: -

Lautoka Mill	-	12 th December 2018
Rarawai Mill	-	14 th December 2018
Labasa Mill	-	11 th December 2018

After consulting the Chief Executive Officer of the Sugar Cane Growers Council, and Registrar of the Tribunal, the Tribunal ORDERED that the Corporation terminate crush in each of the mills as follows: -

Lautoka Mill	-	12 th December 2018
Rarawai Mill	-	16 th December 2018
Labasa Mill	-	11 th December 2018



A cane cutter harvesting cane before the mill closes.

BURNT CANE

The Tribunal approved "On Program Burning" in all mills effective from 01st September for the 2018 season after consulting the CEO Sugar Cane Growers Council and the CEO FSC.



Cane cutters harvesting burnt cane

REGISTER OF GROWERS

During the year the Registrar dealt with the following applications for new registrations, transfers and other amendments to the Register of Growers:-

NEW REGISTRATIONS

	<u>Lautoka</u>	<u>Rarawai</u>	<u>Labasa</u>	<u>Penang</u>	<u>Total</u>
Applications Approvals	18 15	25 20	19 10	5 5	67 50
Rejections	3	20 5	9	-	17
In Process	-	-	-	-	-

TRANSFERS

	<u>Lautoka</u>	<u>Rarawai</u>	<u>Labasa</u>	<u>Penang</u>	<u>Total</u>
Applications	65	48	65	25	203
Approvals	60	42	61	20	183
Rejections	-	-	-	-	-
In Process	5	6	4	5	20

OTHERS

The Registrar dealt with 547 other matters involving amendments to the Register. These included estate matters, sector changes, changes in method of delivery, amendments to Farm Basic Allotment and Registered area, replacement of lost Certificates and cancellation of Registrations. These were distributed per mill as follows:-

	<u>Lautoka</u>	<u>Rarawai</u>	<u>Labasa</u>	Penang	<u>Total</u>
Applications Approvals	132 124	185 179	176 163	54 50	547 516
In Process	8	6	13	4	31

Attached as Appendix I are statistics taken from the Register of Growers dealing with the number of growers in each mill, district and sector.



The Registrar of the Tribunal Mr. Brown inspecting a farm, for which a Farmer in Labasa, has applied for a subdivision.

ALTA EXPIRY LEASE

A total of 245 new registrations were issued on ALTA expired leases, over the period 01/01/18 to 31/12/18 of these 59 new registrations were issued to new incoming landowner/ITaukei tenants and 186 were issued to new Indo Fijians tenants while no new registrations were issued to sitting tenants. (Refer Appendix I (g)).

To date a total of 6530 registrations have been issued to tenants on ALTA expired leases, of these 2105 were issued to new incoming landowner/ITaukei tenants and 4425 registrations were issued to new Indo Fijian tenants while 578 registrations were issued to sitting tenants.



The Hon. Minister of Lands addressing growers in regards to their land leases

REGISTER OF GROWERS' STATISTICS MILLS, DISTRICTS AND SECTOR As at 31.12.18 LAUTOKA MILL - 717 Lautoka District Drasa Sector Lovu Sector - 407 -Lautoka Sector 263 2,101 - 250 Saweni Sector Natova Sector - 462 Estate _ 2 Nadi District - 305 Legalega Sector 363 Meigunyah Sector -Qeleloa Sector - 317 Yako Sector - 341 2,183 5,445 Malolo Sector - 430 33% Nawaicoba Sector -424 Estate _ 3 Lomawai Sector 544 Sigatoka District -Cuvu Sector 396 -1,161 Olosara Sector _ 221 Varoko Sector **RARAWAI MILL** 510 _ Mota Sector 497 -Koronubu Sector -749 Rarawai Sector -296 3,688 Veisaru Sector _ 600 16,593 680 Varavu Sector -Naloto Sector 354 _ Estate _ 2 5,342 32% **Tavua District** Tagitagi Sector 609 -Drumasi Sector 569 1,654 -Yaladro Sector _ 476 PENANG MILL Ellington I Sector 350 _ Malau Sector 697 1,701 _ 1,701 Nanuku Sector _ 366 10% Ellington II Sector -288 LABASA MILL Labasa District Waiqele Sector 450 _ Wailevu Sector 687 _ Vunimoli Sector 520 _ Labasa Sector 436 3,445 -Bucaisau Sector 563 -Wainikoro Sector -407 Daku Sector _ 382 4,105 25% Seaqaqa District Natua Sector 205 _ Solove Sector 256 660 _ **Bulivou Sector** -198 Seaqaqa Estate _ 1

APPENDIX I(a)

Production - 2018

		LEASE	UNDER			Productive	
SECT	COUNT	AREA	CANE	SCA	FBA	Growers	TONS
111	717	2565	1818.4	3471.85	146136	518	81076.5
112	407	1605.8	1422.5	2580.06	91072	298	53206.97
113	263	1001.8	523.9	1880.23	37983	108	10370.78
114	250	976.3	576.4	1071.08	35027.7	116	16601.12
115	462	1902	1200.2	2434.4	85071	233	32908.63
119	2	218.8	121.5	163.7	6573	2	9433.45
121	305	1268.5	960.2	2083.43	60161	173	30006.99
123	363	1523.6	1187.8	2839.57	80838	227	29258.61
124	317	1124.5	675.3	1512.59	50440	170	21166.83
125	341	1528.9	774.7	3174.97	62840	196	21808.93
126	430	1851.2	1016.6	2860.88	78635	269	31015.72
127	424	1997.2	1290.1	3031.6	97288	294	40484.13
129	3	85.5	132.6	31	5126	1	4994.51
131	544	2476.91	1446.5	2966.63	100917	343	45164.97
132	396	1862.5	910.5	2716.64	67976.7	187	25046.11
133	221	921	335.4	1379.64	30578	38	4933.69
211	510	1764.1	1342.6	2573.23	96886	355	59427.25
212	497	2075.6	1331.3	508.67	46024	362	45259.56
213	749	3041.6	1849.8	5960.5	158761.2	544	61344.6
214	296	995.4	754.9	1154.98	56529	223	35297.57
215	600	2701.47	1726.2	2446.36	75218.8	465	64095.03
216	680	2480.56	1589.6	684.64	35729.7	458	58351.18
217	354	1588.4	1021.7	616.45	27648	264	34922.38
219	2	121.7	81.1	0	0	2	3416.64
221	609	2608.66	1679.7	694.27	27384.2	403	39894.58
222	569	2750.4	1472	132.7	97983.2	371	43039.59
223	476	1827.2	1240.6	577.06	78811	305	34577.24
311	450	2512.9	2363.5	3840.91	125920.9	400	89056.38
312	687	2993.78	2832.9	5648.99	150536	614	122801.93
313	520	1506.99	1696.2	3098.97	95537	451	70135.1
314	436	1038.6	1073.3	2987.63	78636	316	32731.39
315	563	2149.9	1909.25	3787.43	10399.1	495	84215.34
316	407	32.6	1258.69	60.42	1147	323	36143.94
317	382	1754.5	1476.3	3940.47	69849	281	39678.81
321	205	1403.9	1283.1	1243.6	60933.97	161	37752.4
322	256	1819.5	1835.2	1388.9	90208	197	54297.75
323	198	1888	1432.2	5419.4	88491	144	49101.42
329	1	200	227.3	3250	688	1	4405.3
411	350	40.3	728.6	41.7	1071	184	17204.8
412	697	199.9	1845.5	186.57	4707	551	82089.66
413	366	230.96	787.33	344.89	4917	239	25290.52
414	288	132.9	742.8	103.6	3776	130	15353.93
Total	16593	62769.33	49974.27	84890.61	2524455	11412	1697369.93

REGISTER OF GROWERS

R A C E S - 2018

	LAUTOKA	RARAWAI	PENANG	LABASA	TOTAL
INDIAN	4,275	4,256	41	2,607	11,179
FIJIAN	1,094	1,016	36	446	2,592
OTHERS	76	70	1,624	1,052	2,822
TOTAL	5,445	5,342	1,701	4,105	16,593

<u>TOTAL</u>

INDIAN FIJIAN OTHERS	- -	11,179 2,592 2,822 	67% 16% 17%
		16,593	100.00%
		======	======

APPENDIX 1(d)

REGISTER OF GROWERS

METHOD OF DELIVERY - 2018

	LAUTOKA	RARAWAI	PENANG	LABASA	TOTAL
PORTABLE LINE	363	563	152	404	1,482
TRACTOR TRAILER	1,847	1,790	144	993	4,774
LORRY DIRECT	3,235	2,989	1,405	2,708	10,337
TOTAL	5,445	5,342	1,701	4,105	16,593

<u>TOTAL</u>

PORTABLE LINE TRACTOR TRAILER	-	1,482 4 <i>,</i> 774	9% 29%
LORRY DIRECT	-	10,337	62%
		16,593	100.00%
		======	=====

APPENDIX I(e)

REGISTER OF GROWERS

FORM OF LAND TITLE - 2018

	LAUTOKA	RARAWAI	LABASA	PENANG	TOTAL
NATIVE LAND	3,383	3,202	3,331	653	10,569
CROWN LEASE	1,211	1,445	504	502	3,662
FREEHOLD	517	490	129	271	1,407
VAKAVANUA	264	71	3	161	499
OTHERS	70	134	138	114	456
TOTAL	5,445	5,342	4,105	1,701	16,593

<u>TOTAL</u>

-	10,569	64%
-	3,662	22%
-	1,407	8.5%
-	499	3.0%
-	456	2.7%
	16,593	100.00%
=	======	=====
		- 3,662 - 1,407 - 499 - 456

REGISTER OF GROWERS

FARM BASIC ALLOTMENT - 2018

Farm Basic Allotment				
	0-100	101-300	Over 301	Total
Lautoka	1403	3216	826	5445
Rarawai	2718	2140	484	5342
Labasa	1722	1549	834	4105
Penang	1640	54	7	1701
Total	7483	6959	2151	16593

TOTAL

0-100	-	7,483	45.0%
101-300	-	6,959	42.0%
OVER 301	-	2,151	13.0%
		16,593	100.00%
		======	=====

REGISTERED GROWERS PRODUCTION RANGE SEASON 2018

	No. of growers	SCA	FBA	Productions	Area Cut	ТРНА
Range						
1 - 50.00	5826	8763.06	32004.79	477289.47	9967.9	47.88
50.00 -						
100.00	1658	7382.43	129713.4	73396.74	1617.2	45.38
100.00-						
200.00	4470	23843.76	726357.59	349958.12	7432.84	47.08
200.00 -						
300.00	2488	17068.62	618736.83	310408.96	6245.3	49.7
300.00 -						
400.00	1217	11123.24	417825.76	219522.89	4338.8	50.59
400.00 -						
500.00	497	5258.79	221406.83	112152.96	2193.2	51.13
500.00 -						
600.00	192	2325.11	104750.82	51832.34	1091	47.5
600.00-						
700.00	94	4712.93	60321.69	35103.55	957.4	36.66
>1000.00	151	4399.17	213131.9	67704.9	1374.56	49.25
	16593	84877.11	2524249.61	1697369.93	35218.2	425.17

TOTAL REGISTRATION ISSUED ON EXPIRED ALTA LEASES BETWEEN 01/01/97- 31/12/18

		FIJIAN			INDIAN	 	TOTAL	-	
	NEW	SIT	TOT	NEW	SIT	ТОТ	NEW	SIT	TOT
LTK	647	13	660	1349	194	1543	1996	207	2203
RAR	674	11	684	1263	134	1397	1936	145	2081
LAB	541	5	546	1160	201	1361	1701	206	1907
PEN	204	11	215	115	9	124	319	20	339
ТОТ	2065	40	2105	3887	538	4425	5952	578	6530

APPENDIX I(h)

TOTAL REGISTRATION ISSUED ON EXPIRED ALTA LEASES BETWEEN 01/01/18 - 31/12/18

		FIJIAN		INDIAN			TOTAL		
	NEW	SIT	ТОТ	NEW	SIT	ТОТ	NEW	SIT	ТОТ
LTK	3	0	3	64	0	64	67	0	67
RAR	33	0	33	41	0	41	74	0	74
LAB	14	0	14	76	0	76	90	0	90
PEN	9	0	9	5	0	5	14	0	14
TOT	59	0	59	186	0	186	245	0	245

PART V – ACCOUNTANT TO THE TRIBUNAL

FORECAST CANE PRICE FOR 2018 SEASON

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The 2018 season forecasted price of cane was \$72.19 per tonne of cane. This was discounted by 8.5% to arrive at forecast price of cane of \$66.08 per tonne for the 2018 Season. The forecast cane price was calculated as follows:

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Est. total Income from Sugar & Molasses Sale as Per Regulation 17.2 of the Master Award	\$175,329,982
Est. Growers Share of Proceeds (Sec 20.2)	\$122,730,987
Est. Tonnes of Sugar Produced	191,011
Est. Tonnes of Cane Delivered and paid for	1,700,000
Forecasted Price per tonne of Cane	\$72.19
Forecast Price of Cane (8.5% Margin of error)	\$66.08

			Second and the second second	
FORECAST CANE PRICE		2018	2017	2016
Tonnes of cane paid	MT	1,700,000	2,047,880	1,479,000
Which Produced:			007 5 40	
Sugar	MT	191,011	227,542	164,337
[TCTS] Molasses	мт	70,583	81,915	59,160
110103355	1.11	70,505	01,915	55,100
Proceeds:				
From Sugar - Overseas (net of marketing		105,257,837	181,028,000	105,964,984
commission)				
- Local & Regional		59,050,000	33,132,000	47,207,125
- Stocks From Molasses - Overseas		12 400 792	18,051,527	12 711 020
- Local		13,499,783 1,000,000	825,000	12,711,020 875,000
Local		1,000,000	025,000	0/3,000
TOTAL		178,807,620	233,036,527	166,758,130
Additional Income was				
Received from:				
Fili Guran Manlatina Called				
Fiji Sugar Marketing Co Ltd (Excess Income for the year)				
Sundries				
			233,036,527	166,758,130
				, ,
Deductions prior to dividing proceeds				
were:				
Export duty - Sugar				
- Molasses		1 660 769	1 660 769	1 660 769
Bulk loading costs & SCRC Wharfage, sugar		1,669,768 84,607	1,669,768 120,685	1,669,768 75,125
molasses		102,072	119,219	83,948
				-
Molasses Handling		113,925	133,063	93,697
Marketing Cost			200,000	200 000
Marketing Cost		200.000	300,000	300,000
Rouging Costs Lorry Transport Allowance		300,000 1,207,266.81	1,574,780	100,000 1,137,322
Sundries		1,207,200.01	1,5/4,760	1,137,322
Cost of Importing sugar				
Cost Handling import sugar				
Total Certified Deductions		3,477,638	4,517,515	3,459,860
Revenue for Distribution This was divided under the terms of the		175,329,982	228,519,012	163,298,270
Answer Award as follows:				
Payable to the Growers		122,730,987	159,963,308	114,308,789
Less growers contribution to SRIF		122,730,307	100,000	117/00//03
2016&2017			1,844,587	
Less growers contribution to SCGF				
Nett payable to growers		122,730,987	158,118,721	114,308,789
Equaling per tonne of cane		72.19	77.21	77.29
The forecast price was:		66.08	65.63	39.42
The Millers share was:		52,598,995	68,555,703	49,989,481
or per tonne of cane crushed		30.94	33.48	33.12

FORECAST CANE PRICE		2015	2014	2013
Tonnes of cane paid	МТ	2,015,000	1,920,000	1900,000
Tornes of carle paid	1*11	2,015,000	1,920,000	1900,000
Which Produced:				
Sugar	MT	242,771	204,255	190,000
[TCTS]				
Molasses	MT	72,540	67,200	76,000
Proceeds:				
From Sugar – Overseas (net of marketing		166,937,285	158,093,617	159,262,121
commission)		22 122 000	22,122,000	
- Overseas - Local & Regional		33,132,000	33,132,000	34,955,976
- Freight & Commission		16,885,000	15,550,000	14,947,368
From Molasses - Overseas		875,000	875,000	620,000
- Local		·		•
TOTAL		217,829,285	207,650,617	209,785,466
Additional Income was				
Received from:				
Fiji Sugar Marketing Co Ltd				
(Excess Income for the year)				
Sundries				
Total Income		217,829,285	207,650,617	209,785,466
Deductions prior to dividing proceeds		, ,		
were:				
Export duty - Sugar				4,777,864
- Molasses		506,550	466,500	4,484,81
Bulk loading costs & SCRC			1,669,768	1,577,717
Wharfage, handling costs, Insurance and bagging costs				
Wharfage, Sugar		129,823	106,713	53,988
Molasses		104,687	96,410	110,050
Molasses Handling		116,844	107,606	122,830
Marketing Cost		300,000	300,000	300,000
Costs drawn by Sugar				
Commission of Fiji and Mill Area				
Committees Contributed to the costs of the Sugar				
Cane Research Centre				
Rouging Costs		100,000	100,000	100,000
Lorry Transport Allowance		1,272,991	1,206,845	1,166,301
Sundries		1,2,2,551	1,200,010	1,100,501
Cost of importing Sugar				
Cost Handling import sugar				
Total Deduction		4,200,663	4,053,842	8,657,170
Revenue for Distribution		213,628,622	203,596,775	201,128,295
This was divided under the terms of the				
Master Award as follows				
Develop to the Overse		140 540 005	140 517 740	140 200 002
Payable to the Growers Less growers contribution to SRIF		149,540,035 900,000	142,517,743 900,000	140,789,807 900,000
Less growers contribution to SRIF		500,000	500,000	500,000
		149 640 025	141 617 742	120 000 007
Nett payable to growers		148,640,035	141,617,743	139,889,807
Equaling per tonne of cane		73.77	73.76	73.63
The forecast price was: The Millers share was:		62.70	62.70	62.58
or per tonne of cane crushed		64,088,587 32.00	61,079,033 31.82	60,338,488 31.76
or per conne or cane crusned		32.00	51.02	21.10

FINAL CANE PRICE FOR 2018 SEASON

The 2018 season returned to the growers \$54.06 per tonne of cane. The final cane price was calculated as follows:

Total Income from Sugar & Molasses Sale as Per Regulation 17.2 of the Master Award	\$133,246,952
Growers Share of Proceeds (Sec 20.2)	\$93,272,866
Tonnes of Sugar Produced	160,213
Tonnes of Cane Delivered and paid for	1,697,370
Price per tonne of Cane	\$54.06

Government topped up the Cane Price by \$30.94 per tonne to bring the total paid out to growers to \$85.00 per tonne of cane for the 2018 season.





PART VI – INDUSTRIAL COMMISSIONER

GANG MATTERS

The Industrial Commissioner was given the responsibilities to handle gang matters when the Sugar Commission of Fiji was dissolved by Cabinet in 2009. The Industrial Commissioner prepared the Memorandum of Gang Agreement (MOGA) for the 2018 season in consultation with the Sugar Cane Growers Council and Fiji Sugar Corporation. During the year the Industrial Commissioner dealt with gang matters such as gang transfer, gang amalgamation and formation of new gangs.

Amalgamation/Formation of new gang

35 applications received. 30 approved, 1 pending and 4 not approved.

Change of Method of delivery

3 applications received. 3 approved and none pending.

Gang transfer

210 applications received. 205 approved and 5 not approved.

29 applications received on other matters such as individual harvesting, bond, substitutes etc.

Gang Disputes

In the year 2018, 44 gang disputes were referred to the Industrial Commissioner for decisions. The decision on each of the 44 cases was handed down by the Industrial Commissioner.



The Hon. Prime Minister addresses cane farmers in terms of their welfare and other issues they faced in their gang and the mill.

THE FIJI SUGAR TRADESMEN'S UNION EMPLOYEE BENEFIT FUND

The Fiji Sugar Tradesmen's Union Welfare Benefit operated successfully during the year. A total of \$263,100.00 was approved to members during the year. The Fund has total net assets worth \$559,890.72.

THE FIJI SUGAR CLERKS/SUPERVISORS ASSOCIATION WELFARE BENEFIT FUND

The Fiji Sugar Clerks/Supervisors Association Welfare Benefit Fund operated successfully during the year. A total of \$111,732.00 loans were approved to members during the year. The fund has total net assets worth \$66,549.70.

SUGAR MILLING STAFF OFFICERS ASSOCIATION WELFARE BENEFIT FUND

The Sugar Milling Staff Officers Association Welfare Benefit Fund operated successfully during the year. A total of \$151,585.87 was approved to members during the year. The Fund has total net assets worth \$374,395.79.



Sugar Workers attend trainings in order to gain more knowledge in relation to their individual field of work

SUGAR INDUSTRY TRIBUNAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

SUGAR INDUSTRY TRIBUNAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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SUGAR INDUSTRY TRIBUNAL STATEMENT BY THE REGISTRAR OF THE TRIBUNAL

The Registrar of the Tribunal presents his report together with the financial statements of Sugar Industry Tribunal for the year ended 31 December 2018.

The Registrar in office at the date of this report is : Mr. Timothy Brown

State of Affairs

In the opinion of the Registrar:

- (i) there were no significant changes in the state of affairs of the Tribunal that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.
- (ii) the accompanying Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and Statement of Cash Flows give a true and fair view of the state of affairs of the Tribunal as at 31 December 2018.

Principal Activity

The principal activity of the Sugar Industry Tribunal (SIT) is to resolve disputes in the Sugar Industry and also hears and determines any question as to whether all or any of the expenses incurred by Fiji Sugar Corporation in providing and maintaining facilities for the storage of sugar should be paid out of, and be a charge on the proceeds of sale of sugar, molasses and other by -products of sugar.

Operating Results

The deficit for the year ended 31 December 2018 was \$26,673 (2017: deficit \$68,441).

Events Subsequent to Balance Date

Subsequent to year-end, the World Health Organisation (WHO) declared the coronavirus (Covid 19) a "Public Health Emergency of International Concern". Measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the virus, however, there is no impact of the virus on amounts and estimates reported or used in the preparation of the 2018 financial statements.

LAUTOKA Fiji this Hoth day of JULY Dated at 2023. Signed in accordance with a resolution of the Registrar: Registrar of the Tribunal Timothy Brown

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza Karsanji St. Vatuwaqa P. O. Box 2214, Government Buildings Suva. Fili



Telephone: (679) 330 9032 E-mail: info@auditorgeneral.gov.fj Website: www.oag.gov.fj



INDEPENDENT AUDITOR'S REPORT

Sugar Industry Tribunal

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Sugar Industry Tribunal ("the Tribunal"), which comprises the Statement of Financial Position as at 31 December 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Tribunal as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Qualified Opinion

- 1. The Tribunal has not provided evidence of impairment assessment carried out on its receivable balance of \$200,869 as reported in the Statement of Financial Position. As a result, I was unable to ascertain whether trade and other receivables balance of \$200,869 is fairly stated in the financial statements as at 31 December 2018.
- 2. The Tribunal recorded a prior year adjustment/restatement of \$9,686 in the Statement of Changes in Equity. This is a departure from the requirements of Section 10 Accounting Policies, Estimates and Errors, paragraph 10.21 of the IFRS for SMEs, which requires the Tribunal to record prior year adjustment balance by restating the comparative amounts for the prior period(s) presented in which the error occurred or restate opening balances of assets, liabilities, and equity for the earliest prior period presented. As a result, the restatement of retained earnings of \$9,686 recorded in the Statement of Changes in Equity is not fairly stated in the financial statements as at 31 December 2018.
- 3. The Tribunal did not comply with the requirements of IFRS for SMEs Section 24 Government Grants by not recognizing government grant totaling \$18,816 in income as the grant does not impose specified future performance conditions. In addition, the deferred income balance of \$39,683 was not recognized in income in the year it was received as grant does not impose specified future performance conditions. Moreover, the accounting policy on deferred income as disclosed on Note 3(m) to the financial statements is not in accordance with section 24 of the IFRS for SMEs, and the Tribunal has not disclosed the unfulfilled conditions of government grants received during the year. As a result, I am unable to ascertain whether the deferred income balance of \$39,683 is fairly stated in the financial statements as at 31 December 2018.

Basis for Qualified Opinion (con't)

- 4. The Tribunal did not provide VAT reconciliations to support the VAT receivable balance of \$1,947 recorded in the creditors and accruals account in Note 11 to the financial statement. In addition, a variance of \$60,081 was noted between the VAT receivable balance of \$1,947 and the VAT receivable balance recorded in the Statement of VAT account. As a result, I was unable to ascertain whether the VAT receivable balance of \$1,947 is fairly stated in the financial statements as at 31 December 2018.
- 5. The Tribunal was unable to provide the salaries and wages reconciliations to substantiate the salaries and wages amount of \$221,835 reported in Note 5 to the financial statements. In addition, an unreconciled variance of \$59,601 was noted between the wages and salaries audit independent reconciliations and the amount reported in the FS. As a result, I was unable to ascertain whether the salaries and wages balance of \$221,835 is fairly stated in the financial statements as at 31 December 2018.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities* for the Audit of the Financial Statements section of my report. I am independent of the Tribunal 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 my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Note 21 to the financial statements notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2018 and how this has been considered by the Tribunal in the preparation of the financial statements. As set out in Note 21, there is no impact of the virus and no adjustments have been made on the amounts and estimates reported or used in the preparation of the financial statements as at 31 December 2018.

My opinion is not modified in respect of this matter.

Other information

The Management and Industrial Commissioner are responsible for the other information. The other information comprises the Annual report but does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Responsibilities of Management and those charged with governance for financial statements

The Management and Industrial Commissioner is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and the Sugar Industry Act 1984 (Part 3) and for such internal control as the Management and Industrial Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management and those charged with governance for financial statements (con't)

In preparing the financial statements, the Management and Industrial Commissioner is responsible for assessing the Tribunal'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 and Industrial Commissioner intend to cease operations, or have no realistic alternative but to do so.

The Management and Industrial Commissioner is responsible for overseeing the Tribunal's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 Tribunal's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Industrial Commissioner.
- Conclude on the appropriateness of the Management's and Industrial Commissioner's use of 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 Tribunal's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Tribunal 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.

I communicate with Management and Industrial Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Sugar Industry Act 1984 in all material respects, and;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Tribunal has kept financial records sufficient to enable the financial statements to be prepared and audited.

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Sairusi Dukuno ACTING AUDITOR-GENERAL



Suva, Fiji 31 July 2023

SUGAR INDUSTRY TRIBUNAL STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018	2017
		\$	\$
INCOME			
Government grant - operational		461,131	581,965
Other income	4	27,752	220,613
Total income	-	488,883	802,578
EXPENDITURE			
Personnel expenses	5	310,341	402,873
Operating expenses	6	45,110	63,056
Administrative expenses	7	132,354	193,652
Depreciation	10	27,751	211,438
Total expenditure	-	515,556	871,019
Deficit		(26,673)	(68,441)
Other comprehensive income		17.1	-
Total comprehensive loss for the year	-	(26,673)	(68,441)

The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 18.

SUGAR INDUSTRY TRIBUNAL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Restatement \$	Retained Earnings \$	Total \$
Balance as at 31 December 2016		÷	306,575	306,575
Net deficit for the year			(68,441)	(68,441)
Balance as at 31 December 2017			238,134	238,134
Restatement of retained earnings	17	9,686	121	9,686
Transfer of GIS to Ministry of Sugar Industry	18		27,850	27,850
Net deficit for the year		<u>.</u>	(26,673)	(26,673)
Balance as at 31 December 2018		9,686	239,311	248,997

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 18.

SUGAR INDUSTRY TRIBUNAL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

Notes	2018 \$	2017 \$
	3913 91 - Calver - La	
8		84,544
9 _		210,127
-	278,471	294,671
10 _		279,233
-	50,341	279,233
-	328,812	573,904
11	39,446	64,504
13	31,884	211,438
12	686	704
14	-	1,672
-	72,016	278,318
13	7,799	57,452
-	7,799	57,452
-	79,815	335,770
	248,997	238,134
	242.007	000 104
-		238,134
	248,997	238,134
	8 9 	$\begin{array}{c} 8 \\ 8 \\ 9 \\ 200,869 \\ \hline 278,471 \\ \hline \\ 10 \\ \hline 50,341 \\ \hline \\ 328,812 \\ \hline \\ 11 \\ 39,446 \\ 13 \\ 31,884 \\ 12 \\ 686 \\ \hline 14 \\ \hline \\ \hline \\ 72,016 \\ \hline \\ 13 \\ \hline \\ \hline \\ 77,99 \\ \hline \\ \hline \\ 79,815 \\ \hline \end{array}$

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 18.

For and on behalf of the Sugar Industry Tribunal

Registrar of the Tribunal M Timothy Brown JETL JULY DO23 Date:

SUGAR INDUSTRY TRIBUNAL STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

Cash flows from operating activities	Notes	2018 \$	2017 \$
Receipts from government and customers Payments to suppliers and employees Net cash provided / (used in) operating activities	15 (b)	479,948 (466,088) 1 3,860	1,007,523 (1,077,782) (70,259)
Cash flows from investing activities Payments for property, plant and equipment Net cash flows used in investing activities	<u>11</u> 	(19,130) (19,130)	(18,175) (18,175)
Cash flows from financing activities Financing lease Net cash flows used in financing activities	-	(1,672) (1,672)	(1,671) (1,671)
Net decrease in cash Cash at the beginning of the year Cash and cash equivalents at end of the year	15 (a)	(6,942) 84,544 77,602	(90,105) 174,649 84,544

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 18.

1. REPORTING ENTITY

The Sugar Industry Tribunal is an entity domiciled in the Fiji Islands and was established under the Sugar Industry Amendment Act (No 10 of 2015). The objective of the Sugar Industry Tribunal (SIT) is to resolve disputes in the Sugar Industry. In carrying out its statutory functions, Sugar Industry Tribunal is empowered under section 69 of the Sugar Industry Act, subject to the Minister's directive, to make and prepare any master award. The Sugar Industry Tribunal also hears and determines any question as to whether all or any of the expenses incurred by Fiji Sugar Corporation in providing and maintaining facilities for the storage of sugar should be paid out of, and be a charge on the proceeds of sale of sugar, molasses and other by -products of sugar.

2. BASIS OF PREPARATION

The financial statements of the Sugar Industry Tribunal have been drawn up in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's) and duly adopted by the Fiji Instutue of Accountants.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of measurement

The financial statements have been prepared on a historical cost and, except where stated, do not take into account current valuations of fixed assets.

(b) Functional currency

The financial statements are presented in Fiji dollars and all values are rounded off to the nearest dollar except where otherwise indicated.

(c) Use of estimates and judgements

The preparation of the 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 amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about judgments in applying accounting policies that have an effect on the amounts recognised in the financial statements is included in the following notes:

Note 9 - Recoverability of trade and other receivables Note 10 - Impairment of property, plant and equipment

(d) Revenue recognition

Revenue is recorded in the income statement on accrual basis.

Grants relating to the purchases or acquisition of property, plant and equipment are included in deferred income and are credited to the income statement on a straight line basis over the expected life's of the related assets.

(e) Income tax

By virtue of section 17 clause 4 of the Income Tax Act the Tribunal's net income is exempt from income tax.

(f) Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Value Added Tax (continued)

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(g) Property, plant and equipment

Recognition and measurement

Depreciation on assets is calculated on straight line method by which the book value is written off over the estimated useful life of assets.

Fixed assets are stated at cost. When assets are retired or otherwise disposed of, the related cost is removed from the account and the resultant profit or loss is brought to account as revenue or expenditure as appropriate.

Depreciation

Depreciation is charged using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

	Rate
Motor vehicle	15%
Office equipment	10%
Furniture and fittings	10%

(h) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and on hand.

(i) Trade and other receivables

Receivables are stated at expected realized value as the Tribunal. A provision is raised for any doubtful debts based on a review by the Tribunal for all outstanding amounts at year end. Bad debts are written off during in which they are identified.

(j) Impairment of non-financial assets

The tribunal assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the tribunal estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset or CGU exceeds it recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired assets, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

(k) Going Concern

While preparing these financial statements management has assessed the entity's ability to continue as a going concern. The current financial statements have been prepared on an Going Concern basis. The impact of the second wave of COVID-19 in 2021, before the date of this report, resulted in the stoppage of field visits to sugar cane farms. However, this has not affected the going concern aspect of the Sugar Industry Tribunal.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) Government Grants

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

(m) Deferred Income

Deferred income relates to government grants received for the purchase of fixed assets. The income approach has been used to account for this grant where the acquisition of asset is treated as deferred income and amortised to income over the useful life of the asset.

(n) Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(o) Employee entitlements

Provisions are made for salaries and wages, incentive payments and annual leave estimated to be payable to employees at reporting date on the basis of statutory and contractual requirements.

(p) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the entity. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the entity at the fair value of the leased property (or, if lower, the present value of the minimum lease payments) at the commencement of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

(q) Trade and other payables

These amount represent liabilities for goods and services provided to the Tribunal prior to the end of the financial year and which are unpaid.

(r) Segment information

The Tribunal is not required to report segment information in accordance with FAS 14 as it is not relevant to the nature of the Tribunal's operations.

(s) Comparatives

Where necessary, amounts relating to prior year have been adjusted to conform with changes in presentation in the current year.

		2018	2017
4.	OTHER OPERATING INCOME	\$	\$
	Deferred income	27,752	211,438
	Miscellaneous	7 <u>1</u> 01	9,175
		27,752	220,613

2018	2017
5. PERSONNEL EXPENSES \$	\$
Salaries and wages 221,835	258,012
Benefits and allowances 20,792	58,918
ENPF 50,339	65,486
FNU levy (1,095)	3,475
Fringe benefit tax 7,693	4,157
PAYE10,777	12,825
310,341	402,873
6. OPERATING EXPENSES	
GIS other expenses	1,661
Meal and allowance	3,630
Motor vehicle 37,859	55,586
Gang expenses7,251	2,179
45,110	63,056
7. ADMINISTRATION EXPENSES	
IT software, telephone fax and postage 27,393	40,153
Printing and stationery 27,124	33,639
Insurance 8,290	26,049
Advertising 4,066	5,230
Travelling 754	() -)
Professional fees 12,536	13,900
Rent and utilities 35,724	37,040
General expenses 15,896	25,755
Meetings and conferences571 _	11,886
132,354	193,652

8. CASH AND CASH EQUIVALENT

9.

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the following:

Cash at bank - Sugar Industry Tribunal	77,321	84,181
- GIS	in the second se	82
Cash on hand	281	281
out of here	77,602	84,544
TRADE AND OTHER RECEIVABLES		
Salary advance	4,181	5,787
Deposits paid	1,836	1,836
VAT receivable		(95)
Other receivable	1,977	10,729
Receivable from SK Trust	11,153	10,168
Receivable from NIR	181,722	181,702
	200,869	210,127

10. PROPERTY, PLANT AND EQUIPMENT

		Furniture and fittings	Equipment	Motor Vehicle	Total
		\$	\$	\$	\$
	Cost	01.010	110 740	401.061	863,620
	Balance at 31 December 2017	21,816	440,743 19,130	401,061	19,130
	Additions	(4,346)	(345,213)	(244,348)	(593,907)
	Transfers - GIS to MoS Balance as at 31 December 2018	17,470	114,660	156,713	288,843
	Dalance as at 51 December 2010				
	Accumulated Depreciation				
	Balance at 31 December 2017	13,619	355,855	214,913	584,387
	Annual depreciation	911	16,213	10,627	27,751
	Transfers of accumulated depreciation - GIS	(983)	(286,490)	(86,163)	(373,636)
	Balance as at 31 December 2018	13,547	85,578	139,377	238,502
	Carrying amount at 31 December 2017	8,197	84,888	186,148	279,233
	Carrying amount at 31 December 2018	3,923	29,082	17,336	50,341
				2018	2017
11.	TRADE AND OTHER PAYABLES			\$	\$
	Creditors and accruals			23,679	52,737
	Audit fee accrual			15,767	11,767
				39,446	64,504
12.	EMPLOYEE BENEFIT LIABILITY				
	Annual leave entitlement			686	704
13.	DEFERRED INCOME				
	Balance at the beginning			268,890	462,153
	Add: Additional capital grant for the current year	ar		18,816	18,175
	Less: Transfer of GIS to Ministry of Sugar			(220,271)	1912-112-1121 110-12-12-12-12-1
	Less: Amortisation of deferred income for the	current year		(27,752)	(211,438)
				39,683	268,890
	Comprise of:			31,884	211,438
	Current			7,799	57,452
	Non-current			39,683	268,890
14.	FINANCE LEASE LIABILITY				
	Balance at the beginning			1,672	3,343
	Less: Lease rent paid during the year			(1,672)	(1,671)
				1 <u>111111111111111111111111111111111111</u>	1,672
	The finance lease liability is payable as follo	ows:			
	No later than 1 year				1,672
	Total				1,672

The Tribunal leases a telephone system (PABX System) from Telecom Fiji Limited on a finance lease agreement. The lease term is for 5 years with a monthly lease rental of \$139.

	2018	2017
15. NOTES TO THE STATEMENT OF CASH FLOWS	\$	\$

(a) Reconciliation of Cash

For purposes of the cash flows, cash includes cash on hand and in the banks. Cash at the end of the reporting period is as follows:

Cash at bank	77,321	84,263
Cash on hand	281	281
	77,602	84,544
(b) Reconciliation of operating profit to cash provided by operating activities:		
Net deficit)	(26,673)	(68,441)
Add/(Less) non-cash items:		
Depreciation	27,751	211,438
GIS retained earnings transfer	37,536	750
Deferred income	(27,752)	(211,438)
Add: Government grant recorded in deferred income account	18,816	18,175
Change in assets and liabilities during the financial period:		
Decrease in receivables	9,258	221,047
Decrease in trade payables	(25,058)	(241,744)
(Decrease) / Increase in provision for leave	(18)	704
(TOTAL TATA CONTRACTOR AND TRACTOR AND CONTRACTOR OF A DECEMBENCE	13,860	(70,259)

16. RELATED PARTY TRANSACTIONS:

(a) Transactions with Key Management Personnel

The key management personnel of the Tribunal during the year include:

Mr. Timothy Brown - Industrial Commissioner

Mr. Shalend Krishna - Acting Sugar Industry Tribunal (appointment 23 March 2015)

Mr. Devanesh Sharma - Sugar Industry Tribunal (appointment 28 March 2018)

The Tribunal and the key management personnel remuneration for the year amounted to \$93,529.

(b) Transaction with Funding Agency

During the financial year, the Tribunal received funding from the Ministry of Sugar (Operating Grant and GIS Project). This funding incorporates special terms and conditions which are stated in the grant agreements.

	Ministry of Sugar - Operating Grant SIT Ministry of Sugar - GIS	479,847	440,318
		-	159,822
		479,847	600,140
(c)	Year end balances arising from inter-related party transactions:		
	Receivables from Related Parties		10.100
	S.K. Trust	11,153	10,168
17.	RESTATEMENT / PRIOR YEAR ADJUSTMENT		
	Obligations no longer due	9,686	-

The balance of \$9,686 relates to 2016 other creditors and accruals balance that was an over-accrual and was not cleared subsequently in 2017 and was carried forward to 2018 against this account and now considered no longer payable.

18. TRANSFER OF GIS TO MINISTRY OF SUGAR

In his letter dated 10th July 2017 the Permanent Secretary of the Ministry of Sugar advised that the net assets of GIS were to be transferred to the Ministry of Sugar. Due to certain GIS activities that were still taken care of by Sugar Industry Tribunal for 2017, this was, however, effected on 1 January 2018.

19. CONTINGENT LIABILITIES

Contingent liability as at 31 December 2018 not otherwise provided for in the financial statements was Nil (2017 : Nil).

20. CAPITAL COMMITMENTS

Capital commitment as at 31 December 2018 not otherwise provided for in the financial statements was Nil (2017: Nil).

21. SUBSEQUENT EVENTS

Subsequent to year-end, the World Health Organisation (WHO) declared the coronavirus (COVID-19) a "Public Health Emergency of International Concern". Measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the virus, however, there is no impact of the virus on amounts and estimates reported or used in the preparation of 2018 financial statements.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for year ended 31 December 2018 were approved by the Tribunal and authorized for issue on 26(07(23).

23. REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The Sugar Industry Tribunal is an entity domiciled in the Republic of the Fiji Islands and was established under the Sugar Industry Amendment Act (No 10 of 2015).

The registered office and principal place of business of the Tribunal is located at :

Ground Floor Sugar House Walu Street Marine Drive Lautoka.



Sugar Industry Tribunal

P.O Box 5123, Sugar House, Walu Street, Lautoka Phone: 666 6900 / 666 6920 Fax: 666 3520