



**Sugar Industry  
Tribunal**

# **Annual Report**



**2020**



# **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  
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07<sup>th</sup> February 2024

The Hon. Mr. Charan Jeet Singh  
Minister for Multi-Ethnic Affairs & Sugar Industry  
Level 4  
Bali Towers  
Toorak  
**SUVA**

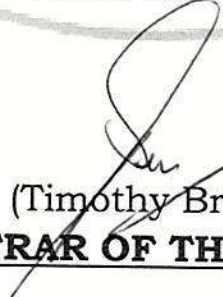
Dear Sir

**RE: ANNUAL REPORT - 2020**

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 1<sup>st</sup> January, 2020 to 31<sup>st</sup> December, 2020 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 – 2020**

### **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 three (3) years with effect from 28<sup>th</sup> March 2018.

Timothy Brown was reappointed the Industrial Commissioner and Registrar of the Tribunal with effect from 1<sup>st</sup> August 2019 for a term of four (4) 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 \$400,000 for 2020.

### **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**

### **PART XIX – METHOD AND TIMES FOR PAYMENT**

#### **Clause 19.1 (v) is added**

*“Notwithstanding anything contained in paragraph (ii) in estimating the forecast price of cane in the 2020 season the Corporation shall take into account the margin of error of 7.5% in calculating the forecast price of cane for the 2020 season”.*

**Amended to take effect from 01<sup>st</sup> June 2020**

### **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 2,495,694 tonnes for the 2020 season.

#### **PURCHASE OF ALL CANE 2020**

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 2020**

Under Regulation 19.1(i) of the Master Award the Corporation informed the Tribunal that the likely price for cane for the 2020 season would be \$64.17. This price was discounted by 7.5% 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 \$38.50 per tonne of cane.



**Forecast price of cane 2020 season \$64.17**

## **COMMENCEMENT OF CRUSHING**

Under Regulation 4 of the Master Award, the Corporation is required not later than the 30<sup>th</sup> 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 2020, this day fell on Tuesday, 16<sup>th</sup> June, 2020.

The Corporation wrote to the Tribunal by letter dated 28<sup>th</sup> April 2020 advising of its intention to commence crushing for Lautoka, Rarawai and Labasa as follows:

Lautoka Mill	24 <sup>th</sup> June 2020
Rarawai Mill	23 <sup>rd</sup> June 2020
Labasa Mill	10 <sup>th</sup> June 2020

The Tribunal consulted the Chief Executive of the Sugar Cane Growers Council, the Chief Executive Officer of the Fiji Sugar Corporation and the Industrial Commissioner and ORDERED on 29<sup>th</sup> April 2020 that the four mills are authorized to commence crushing on the following dates: -

Lautoka Mill	24 <sup>th</sup> June 2020
Rarawai Mill	23 <sup>rd</sup> June 2020
Labasa Mill	10 <sup>th</sup> June 2020

The Corporation wrote to the Tribunal by letter dated 23<sup>rd</sup> June 2020 advising of its intention to defer commencement of crush for Lautoka mill as follows: -

Lautoka Mill	09 <sup>th</sup> July 2020
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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 06<sup>th</sup> July 2020 that Lautoka mill is authorized to commence crush on the following date: -

Lautoka Mill	09 <sup>th</sup> July 2020
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## **ACTUAL 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 in their letter dated 16<sup>th</sup> October 2020 applied to the Tribunal for the termination of crush for each of the mills as follows: -

Lautoka Mill	-	27 <sup>th</sup> November 2020
Rarawai Mill	-	25 <sup>th</sup> November 2020
Labasa Mill	-	28 <sup>th</sup> November 2020

After consulting the Chief Executive Officer of the Sugar Cane Growers Council, and Industrial Commissioner, the Tribunal ORDERED on 18<sup>th</sup> November 2020 that the Corporation terminate crush in each of the mills as follows: -

Lautoka Mill	-	25 <sup>th</sup> November 2020
Rarawai Mill	-	25 <sup>th</sup> November 2020
Labasa Mil	-	27 <sup>th</sup> November 2020



**Cane trucks lined outside the mill as the end of crush date was announced.**

## **BURNT CANE**

“On Program Burning” was approved in all mills effective from 19<sup>th</sup> October 2020 for the 2020 season.



**Burnt cane being crushed at the sugar mill.**

## **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**

	<b><u>Lautoka</u></b>	<b><u>Rarawai</u></b>	<b><u>Labasa</u></b>	<b><u>Penang</u></b>	<b><u>Total</u></b>
Applications	29	51	47	16	143
Approvals	21	35	35	11	182
Rejections	8	16	12	5	41
In Process	-	-	-	-	-

### **TRANSFERS**

	<b><u>Lautoka</u></b>	<b><u>Rarawai</u></b>	<b><u>Labasa</u></b>	<b><u>Penang</u></b>	<b><u>Total</u></b>
Applications	85	135	183	16	419
Approvals	77	125	165	16	383
Rejections	-	-	-	-	-
In Process	8	10	18	-	36

## **OTHERS**

The Registrar dealt with 485 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:-

	<b><u>Lautoka</u></b>	<b><u>Rarawai</u></b>	<b><u>Labasa</u></b>	<b><u>Penang</u></b>	<b><u>Total</u></b>
Applications	295	361	225	61	942
Approvals	167	193	140	43	543
In Process	128	168	85	18	399

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



**Northern cane farmers prepare for harvest.**



## **ALTA EXPIRY LEASE**

A total of 182 new registrations were issued on ALTA expired leases, over the period 01/01/20 to 31/12/20 of these 50 new registrations were issued to new incoming landowner/ITaukei tenants and 132 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 6831 registrations have been issued to tenants on ALTA expired leases, of these 2184 were issued to new incoming landowner/ITaukei tenants and 4647 registrations were issued to new Indo Fijian tenants while 578 registrations were issued to sitting tenants.



**A new grower receiving Government Grant to assist her in securing her new lease.**

**REGISTER OF GROWERS' STATISTICS**  
**MILLS, DISTRICTS AND SECTOR**  
**As at 31.12.20**

<b><u>LAUTOKA MILL</u></b>					
<b>Lautoka District</b>	Drasa Sector	- 721	2,128	5,496 33%	16,840
	Lovu Sector	- 418			
	Lautoka Sector	- 270			
	Saweni Sector	- 254			
	Natova Sector	- 463			
	Estate	- 2			
<b>Nadi District</b>					
	Legalega Sector	- 306	2,196	5,496 33%	16,840
	Meigunyah Sector	- 366			
	Qeleloa Sector	- 317			
	Yako Sector	- 348			
	Malolo Sector	- 434			
	Nawaicoba Sector	- 423			
	Estate	- 2			
<b>Sigatoka District</b>					
	Lomawai Sector	- 549	1,172	5,394 32%	16,840
	Cuvu Sector	- 400			
	Olosara Sector	- 223			
<b><u>RARAWAI MILL</u></b>					
	Varoko Sector	- 511	3,716	5,394 32%	16,840
	Mota Sector	- 504			
	Koronubu Sector	- 751			
	Rarawai Sector	- 298			
	Veisaru Sector	- 602			
	Varavu Sector	- 691			
	Naloto Sector	- 357			
	Estate	- 2			
<b>Tavua District</b>					
	Tagitagi Sector	- 627	1,678	5,394 32%	16,840
	Drumasi Sector	- 572			
	Yaladro Sector	- 479			
<b><u>PENANG MILL</u></b>					
	Ellington I Sector	- 374	1,771	1,771 10%	16,840
	Malau Sector	- 698			
	Nanuku Sector	- 379			
	Ellington II Sector	- 320			
<b><u>LABASA MILL</u></b>					
<b>Labasa District</b>	Waiqele Sector	- 459	3,500	4,179 25%	16,840
	Wailevu Sector	- 699			
	Vunimoli Sector	- 522			
	Labasa Sector	- 440			
	Bucaisau Sector	- 566			
	Wainikoro Sector	- 430			
	Daku Sector	- 384			
<b>Seaqaqa District</b>					
	Natua Sector	- 210	679	4,179 25%	16,840
	Solove Sector	- 264			
	Bulivou Sector	- 204			
	Seaqaqa Estate	- 1			

## Production – 2020

Sector	Sector Name	Total Number Registrations	Productive Growers	Sum of Lease Area	Sum of SCA	Sum of FBA	Sum of Total Ton
111	Drasa	721	532	2693.06	1956.40	116994.00	84039.03
112	Lovu	418	294	1771.01	1218.80	72875.00	50556.81
113	Lautoka	270	117	761.58	448.30	20095.00	10682.64
114	Saweni	254	119	664.87	484.80	21589.00	14204.41
115	Natova	463	229	1317.27	942.40	52898.00	30866.17
119	Lautoka Estate	2	2	218.80	218.80	6773.00	9316.15
121	Legalega	306	171	1256.49	741.90	42728.00	23686.48
123	Meigunyah	366	226	1622.73	946.10	50835.00	24412.65
124	Qeleloa	317	175	858.54	664.30	26768.00	18842.85
125	Yako	348	199	1629.01	907.80	37327.00	18655.62
126	Malolo	434	271	1556.56	1136.80	45594.00	28575.23
127	Nawaicoba	423	307	2063.96	1430.90	69320.00	37330.33
129	Nadi Estate	2	2	108.71	97.70	4790.00	6609.34
131	Lomowai	549	342	2032.50	1589.91	67095.00	37919.94
132	Cuvu	400	181	1366.98	884.90	35220.00	17907.33
133	Olosara	223	62	503.70	264.80	7652.00	4553.72
211	Varoko	511	370	1904.43	1318.00	77920.00	55791.06
212	Mota	504	370	2161.38	1554.21	85173.00	49350.96
213	Koronubu	751	559	3806.69	2280.19	115455.00	66297.67
214	Rarawai	298	232	960.94	826.20	49156.00	32792.74
215	Veisaru	602	490	3454.89	2145.57	91369.00	64412.16
216	Varavu	691	491	2508.60	1838.36	90474.00	58420.46
217	Naloto	357	263	1617.68	1183.75	59621.00	36429.17
219	Rarawai Estate	2	2	122.60	121.70	6119.00	5203.94
221	Tagitagi	627	391	2551.90	1687.80	67920.00	37171.09
222	Drumasi	572	388	2931.97	1877.31	78308.00	40905.71
223	Yaladro	479	333	1974.09	1280.90	52032.00	40060.53
311	Waiqele	459	402	3873.05	2333.00	114541.00	94851.93
312	Wailevu	699	626	5404.24	2875.50	144963.00	129309.75
313	Vunimoli	522	446	2730.26	1473.89	92128.00	68235.31
314	Labasa	440	284	1833.51	830.90	45360.00	32472.93
315	Bucaisau	566	486	3444.73	1983.40	89454.00	83550.52
316	Wainikoro	430	305	2610.30	1198.70	46169.00	34189.85
317	Daku	384	269	2728.66	1311.90	58759.00	39169.52
321	Natua	210	172	3315.29	1240.80	56124.00	44146.22
322	Solove	264	204	3672.48	1741.00	92896.00	71042.58
323	Bulivou	204	166	4112.84	1772.80	85016.00	68191.45
329	Seqaqa Estate	1	1	688.00	200.00	3250.00	6156.19
411	Ellington I	374	202	1740.58	904.90	28462.00	19180.06
412	Malau	698	555	3218.60	2412.31	116788.00	85510.71
413	Nanuku	379	241	2207.29	1166.30	44647.00	31355.96
414	Ellington II	320	145	1462.90	867.40	25037.00	16937.57
<b>Grand Total</b>		<b>16840</b>	<b>11622</b>	<b>87463.67</b>	<b>52361.40</b>	<b>2495694.00</b>	<b>1729294.74</b>

**REGISTER OF GROWERS**

**R A C E S - 2020**

	<b>LAUTOKA</b>	<b>RARAWAI</b>	<b>PENANG</b>	<b>LABASA</b>	<b>TOTAL</b>
INDIAN	4,275	4,306	1044	3,471	13,096
FIJIAN	1,143	1,041	713	654	3,550
OTHERS	78	47	14	54	194
TOTAL	5,496	5,394	1,771	4,179	16,840

**TOTAL**

INDIAN	-	13,096	78%
FIJIAN	-	3,550	21%
OTHERS	-	194	1.0%
		-----	-----
		16,840	100.00%
		=====	=====

**REGISTER OF GROWERS**  
**METHOD OF DELIVERY - 2020**

	<b>LAUTOKA</b>	<b>RARAWAI</b>	<b>PENANG</b>	<b>LABASA</b>	<b>TOTAL</b>
PORTABLE LINE	305	515	138	309	1,267
TRACTOR TRAILER	1,861	1,820	126	1070	4,877
LORRY DIRECT	3,330	3,059	1,507	2,800	10,696
TOTAL	5,496	5,394	1,771	4,179	16,840

**TOTAL**

PORTABLE LINE	-	1,267	8.0%
TRACTOR TRAILER	-	4,877	29%
LORRY DIRECT	-	10,696	63%
		-----	-----
		16,840	100.00%
		=====	=====

**REGISTER OF GROWERS**

**FORM OF LAND TITLE - 2020**

	<b>LAUTOKA</b>	<b>RARAWAI</b>	<b>LABASA</b>	<b>PENANG</b>	<b>TOTAL</b>
<b>NATIVE LAND</b>	3406	3185	3280	663	<b>10534</b>
<b>CROWN LEASE</b>	1276	1515	705	536	<b>4032</b>
<b>FREEHOLD</b>	539	611	180	388	<b>1718</b>
<b>VAKAVANUA</b>	261	73	3	181	<b>518</b>
<b>OTHERS</b>	4	17	5	12	<b>38</b>
<b>TOTAL</b>	<b>5486</b>	<b>5401</b>	<b>4173</b>	<b>1780</b>	<b>16840</b>

**TOTAL**

NATIVE LEASE	-	10,534
CROWN LEASE	-	4,032
FREEHOLD	-	1,718
VAKAVANUA	-	518
OTHERS	-	38
		-----
		16,840
		=====

**REGISTER OF GROWERS**

**FARM BASIC ALLOTMENT - 2020**

<b>Farm Basic Allotment</b>				
	<b>0-100</b>	<b>101-300</b>	<b>Over 301</b>	<b>Total</b>
<b>Lautoka</b>	1738	3031	727	<b>5496</b>
<b>Rarawai</b>	1508	3163	723	<b>5394</b>
<b>Labasa</b>	1038	2200	941	<b>4179</b>
<b>Penang</b>	688	880	203	<b>1771</b>
<b>Total</b>	<b>4972</b>	<b>9274</b>	<b>2594</b>	<b>16840</b>

**TOTAL**

0-100	-	4,972	30.0%
101-300	-	9,274	55.0%
OVER 301	-	2,594	15.0%
		-----	-----
		16,840	100.00%
		=====	=====

**REGISTERED GROWERS PRODUCTION RANGE  
SEASON 2020**

<b>Range</b>	<b>No. of Growers</b>	<b>SCA</b>	<b>FBA</b>	<b>Productions</b>	<b>Area Cut</b>	<b>TPHA</b>
1 - 50	2183	7310.13	59163	52605.19	1175.8	44.74
50 - 100	2661	9258.86	197327.5	121643.75	2710	44.89
100 - 200	4937	19047.45	719732	388375.31	8572.9	45.30
200-300	4296	19140.19	991701	522643.99	10700.7	48.84
300- 400	1650	8936.32	554692	301338	5752.8	52.38
400- 500	594	3800.89	261776	133923.95	2512.6	53.30
500 - 600	238	1845.5	128774	70031.08	1319.4	53.08
600 - 700	112	930.3	71337	37415.8	702	53.30
700 -800	65	604.3	48043	25198.04	457.7	55.05
800 - 900	30	307.6	25135	12525.64	260.7	48.05
900 - 1000	27	313.2	25359	14055.18	235.5	59.68
> 1000	47	2016.52	78788	47859.92	960.4	49.83
	<b>16840</b>	<b>73511.26</b>	<b>3161828</b>	<b>1727615.85</b>	<b>35360.5</b>	<b>608.45</b>

**TOTAL REGISTRATION ISSUED ON EXPIRED ALTA LEASES BETWEEN  
01/01/97- 31/12/20**

	FIJIAN			INDIAN			TOTAL		
	NEW	SIT	TOT	NEW	SIT	TOT	NEW	SIT	TOT
<b>LTK</b>	659	13	672	1409	194	1603	2068	207	2275
<b>RAR</b>	692	11	703	1314	134	1448	2006	145	2151
<b>LAB</b>	568	5	573	1263	201	1464	1831	206	2037
<b>PEN</b>	221	11	232	119	9	128	340	20	360
<b>TOT</b>	2140	40	2180	4105	538	4643	6245	578	6823

## APPENDIX I(h)

**TOTAL REGISTRATION ISSUED ON EXPIRED ALTA  
LEASES BETWEEN 01/01/20 - 31/12/20**

	FIJIAN			INDIAN			TOTAL		
	NEW	SIT	TOT	NEW	SIT	TOT	NEW	SIT	TOT
<b>LTK</b>	7	0	7	22	0	22	29	0	29
<b>RAR</b>	15	0	15	26	0	26	41	0	41
<b>LAB</b>	16	0	16	42	0	42	58	0	58
<b>PEN</b>	12	12	5	42	0	42	54	0	54
<b>TOT</b>	50	0	50	132	0	132	182	0	182



## **PART V – ACCOUNTANT TO THE TRIBUNAL**

### **FORECAST CANE PRICE FOR 2020 SEASON**

The 2020 season forecasted price of cane was \$69.24 per tonne of cane. This was discounted by 7.5% to arrive at forecast price of cane of \$64.17 per tonne for the 2020 Season. The forecast cane price was calculated as follows:

Est. total Income from Sugar & Molasses Sale as Per Regulation 17.2 of the Master Award	\$187,545,904
Est. Growers Share of Proceeds (Sec 20.2)	\$128,329,855
Est. Tonnes of Sugar Produced	193,948
Est. Tonnes of Cane Delivered and paid for	1,840,480
Forecasted Price per tonne of Cane	\$69.24
Forecast Price of Cane (7.5% Margin of error)	\$64.17

<b>FORECAST CANE PRICE</b>		<b>2020</b>	<b>2019</b>	<b>2018</b>
Tonnes of cane paid	MT	1,840,480	1,870,000	1,700,000
Which Produced:				
Sugar	MT	193,948	208,878	191,011
[TCTS]				
Molasses	MT	84,785	84,150	70,583
Proceeds:				
From Sugar - Overseas (net of marketing commission)		116,693,600	116,153,136	105,257,837
- Local & Regional		41,571,000	41,562,226	59,050,000
- Stocks				
From Molasses - Overseas		27,751,304	16,225,750	13,499,783
- Local		1,530,000	1,000,000	1,000,000
<b>TOTAL</b>		<b>187,545,904</b>	<b>174,941,112</b>	<b>178,807,620</b>
Additional Income was Received from:				
Fiji Sugar Marketing Co Ltd (Excess Income for the year)				
Sundries				
Deductions prior to dividing proceeds were:				
Export duty - Sugar				
- Molasses				
Bulk loading costs & SCRC		1,669,768	1,669,768	1,669,768
Wharfage, sugar		165,320	181,342	84,607
molasses		167,549	166,215	102,072
Molasses Handling		138,028	136,930	113,925
Marketing Cost		300,000	300,000	300,000
Rouging Costs				
Lorry Transport Allowance		1,776,875	1,582,917	1,207,266.81
Sundries				
Cost of Importing sugar				
Cost Handling import sugar				
<b>Total Certified Deductions</b>		<b>4,217,540</b>	<b>4,037,171</b>	<b>3,477,638</b>
<b>Revenue for Distribution</b>		<b>183,328,394</b>	<b>170,903,941</b>	<b>175,329,982</b>
This was divided under the terms of the Master Award as follows:				
<b>Payable to the Growers</b>		<b>128,329,855</b>	<b>119,632,759</b>	<b>122,730,987</b>
<b>Less growers contribution to SCGF</b>		<b>900,000</b>	<b>900,000</b>	
<b>Less Re-melt Sugar Recovery</b>			<b>607,779</b>	
<b>Nett payable to growers</b>		<b>127,429,855</b>	<b>118,124,980</b>	<b>122,730,987</b>
<b>Equaling per tonne of cane</b>		<b>69.24</b>	<b>63.17</b>	<b>72.19</b>
<b>The forecast price was:</b>		<b>64.17</b>	<b>63.17</b>	<b>66.08</b>
<b>The Millers share was:</b>		<b>54,998,509</b>	<b>51,271,182</b>	<b>52,598,995</b>
<b>or per tonne of cane crushed</b>		<b>29.88</b>	<b>27.41</b>	<b>30.94</b>

<b>FORECAST CANE PRICE</b>		<b>2017</b>	<b>2016</b>	<b>2015</b>
Tonnes of cane paid	MT	2,047,880	1,479,000	2,015,000
Which Produced:				
Sugar	MT	227,542	164,337	242,771
[TCTS]				
Molasses	MT	81,915	59,160	72,540
Proceeds:				
From Sugar – Overseas (net of marketing commission)		181,028,000	105,964,984	166,937,285
- Overseas		33,132,000		33,132,000
- Local & Regional			47,207,125	
- Freight & Commission		18,051,527		16,885,000
From Molasses - Overseas		825,000	12,711,020	875,000
- Local			875,000	
<b>TOTAL</b>		<b>233,036,527</b>	<b>166,758,130</b>	<b>217,829,285</b>
Additional Income was Received from:				
Fiji Sugar Marketing Co Ltd (Excess Income for the year)				
Sundries				
<b>Total Income</b>		<b>233,036,527</b>	<b>166,758,130</b>	<b>217,829,285</b>
Deductions prior to dividing proceeds were:				
Export duty - Sugar				
- Molasses				506,550
Bulk loading costs & SCRC		1,669,768	1,669,768	
Wharfage, handling costs, Insurance and bagging costs				
Wharfage, Sugar		120,685	75,125	129,823
Molasses		119,219	83,948	104,687
Molasses Handling		133,063	93,697	116,844
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
Lorry Transport Allowance		1,574,780	1,137,322	1,272,991
Sundries				
Cost of importing Sugar				
Cost Handling import sugar				
<b>Total Deduction</b>		<b>4,517,515</b>	<b>3,459,860</b>	<b>4,200,663</b>
<b>Revenue for Distribution</b>		<b>228,519,012</b>	<b>163,298,270</b>	<b>213,628,622</b>
This was divided under the terms of the Master Award as follows				
<b>Payable to the Growers</b>		<b>159,963,308</b>	<b>114,308,789</b>	<b>149,540,035</b>
<b>Less growers contribution to SRIF</b>		<b>1,844,587</b>		<b>900,000</b>
<b>Less growers contribution to SCGF</b>				
<b>Nett payable to growers</b>		<b>158,118,721</b>	<b>114,308,789</b>	<b>148,640,035</b>
<b>Equaling per tonne of cane</b>		<b>77.21</b>	<b>77.29</b>	<b>73.77</b>
<b>The forecast price was:</b>		<b>65.63</b>	<b>39.42</b>	<b>62.70</b>
<b>The Millers share was:</b>		<b>68,555,703</b>	<b>49,989,481</b>	<b>64,088,587</b>
<b>or per tonne of cane crushed</b>		<b>33.48</b>	<b>33.12</b>	<b>32.00</b>

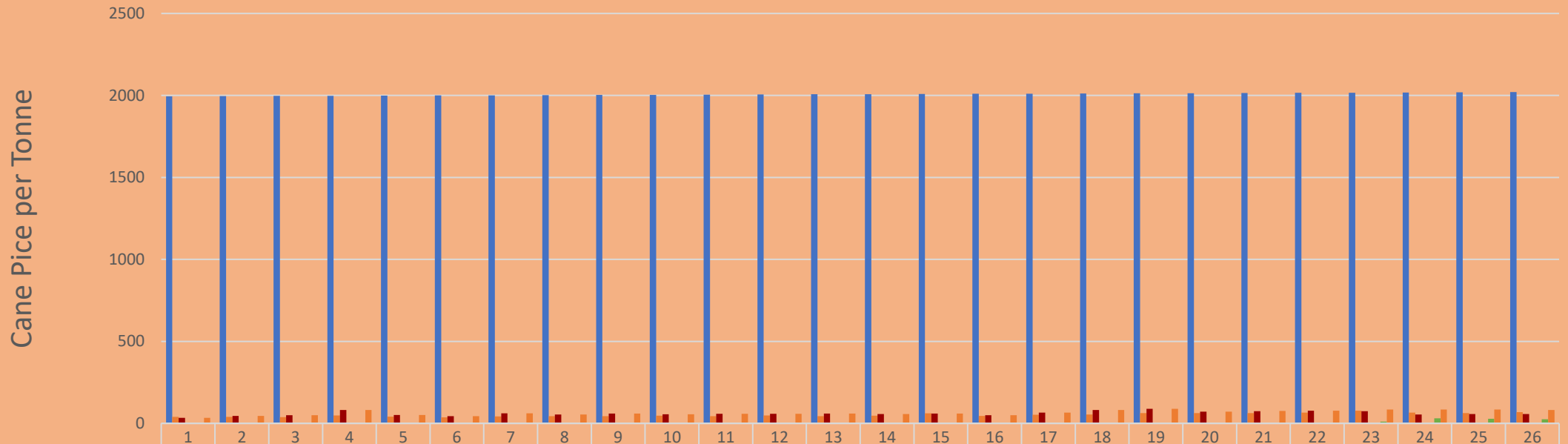
## **FINAL CANE PRICE FOR 2020 SEASON**

The 2020 season returned to the growers \$57.22 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	\$143,506,937
Growers Share of Proceeds (Sec 20.2)	\$98,950,512
Tonnes of Sugar Produced	151,599
Tonnes of Cane Delivered and paid for	1,729,281
Price per tonne of Cane	\$57.22

Government topped up the Cane Price by \$24.84 per tonne to bring the total paid out to growers to \$82.06 per tonne of cane for the 2020 season.

## Forecast Vs Actual Cane Price



	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Forecast	39.18	39.21	38.62	48.61	41.7	36.72	43.03	43.99	43.5	47.1	44.28	48.54	43.76	46.26	61.17	45.67	52.26	53.55	62.58	62.7	62.7	65.69	77.21	66.08	63.17	69.24	
Actual Cane Price	33.78	44.81	50.07	81.51	50.76	44.01	60.8	53.8	60.12	55.87	58.35	58.63	59.65	56.7	59.59	49.16	65.67	81.83	88.49	70.9	74.28	77.29	75.02	54.06	56.8	57.22	
FSM LIQ																				0.41							
FSM LIQ																					0.06						
Top Up																					0.25	1.38		9.98	30.94	28.2	24.84
Total Received	33.78	44.81	50.07	81.51	50.76	44.01	60.8	53.8	60.12	55.87	58.35	58.63	59.65	56.7	59.59	49.16	65.67	81.83	88.49	71.62	75.66	77.29	85	85	85	82.06	

## **PART V – 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 2020 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

63 applications received. 60 approved, none pending and 3 not approved.

#### Change of Method of delivery

10 applications received. 10 approved and none pending.

#### Gang transfer

156 applications received. 150 approved and 6 not approved.

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

### **Gang Disputes**

In the year 2020, 54 gang disputes were referred to the Industrial Commissioner for decisions. The decision on each of the 54 cases was handed down by the Industrial Commissioner.



**Mr Brown addresses a grower in regards to his gang issues.**

## **EMPLOYEE BENEFIT FUND - 2020**

### **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 \$91,354 was approved to members during the year. The Fund has total net assets worth \$537,152.65.

### **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 \$31,787.75 loans were approved to members during the year. The fund has total net assets worth \$301,564.80.

### **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 \$52,731.20 was approved to members during the year. The Fund has total net assets worth \$370,220.63.



**Sugar Workers received their certificates from their employers recognizing their achievements.**



**SUGAR INDUSTRY TRIBUNAL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**



SUGAR INDUSTRY TRIBUNAL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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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 2020.

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 2020.

**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**

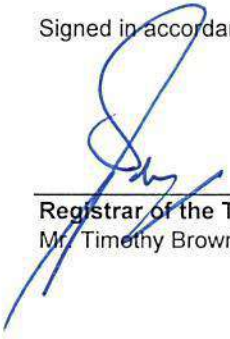
The surplus for the year ended 31 December 2020 was \$19,498 (2019: surplus of \$10,141).

**Events Subsequent to Balance Date**

Subsequent to year-end, in response to the second wave of Covid-19- outbreak, 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 2020 financial statements.

Dated at Lautoka, Fiji this 26<sup>th</sup> day of September 2023.

Signed in accordance with a resolution of the Registrar:

  
\_\_\_\_\_  
Registrar of the Tribunal  
Mr. Timothy Brown

# OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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Karsanji Street, Vatuwaqa  
P. O. Box 2214, Government Buildings  
Suva, Fiji



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Website: <http://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 2020, 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 2020, 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 \$217,106 as reported in the Statement of Financial Position. In addition, the Receivable from Near Infrared Project (NIR) as reported in Note 9 to the financial statements of \$181,722 was disputed by the Debtor through the Debtors Confirmation of balance. Furthermore, the Tribunal did not provide Value Added Tax (VAT) reconciliations to support the VAT Receivable balance of \$17,015. As a result, I was unable to ascertain whether the Trade and Other Receivables balance of \$217,106 is fairly stated in the financial statements as at 31 December 2020.
2. The Tribunal did not comply with the requirements of *IFRS for SMEs Section 24 – Government Grants* by not recognizing the Deferred Income balance of \$4,081 (Note 13) in income in the year it was received as the grant does not impose specified future performance conditions. In addition, 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. As a result, I am unable to ascertain whether the Deferred Income balance of \$4,081 is fairly stated in the financial statements as at 31 December 2020.
3. The Tribunal recorded Property, Plant and Equipment of \$14,739 in the Statement of Financial Position. Internal controls function of the Fixed Assets was found to be weak as the impairment loss of \$3,329 was not accounted for in the books of accounts and financial statements, Fixed Assets with total value of \$1,600 included in the valuation report cannot be traced to the fixed assets schedule, fixed assets with total written down value of \$3,122 cannot be traced to the valuation report, no board of survey and physical verification of assets was done and Fixed Assets were not tagged. As a result, I am unable to ascertain whether the Property, Plant and Equipment balance of \$14,739 is fairly stated in the financial statements as at 31 December 2020.
4. Internal controls over the petty cash, payments, fixed assets, updating of general ledger and retention of source documents for an appropriate audit trail were generally found to be weak. These internal control weaknesses if not addressed on a timely basis may result in material misstatements and possible financial losses or fraud in the future.

## **Basis for Qualified Opinion (Con't)**

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 2020 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 2020.

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 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.

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 Responsibilities for the Audit of the Financial Statements (con't)

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.

Sairusi Dukuno  
**ACTING AUDITOR-GENERAL**



Suva, Fiji  
29 September 2023

SUGAR INDUSTRY TRIBUNAL  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
<b><u>INCOME</u></b>			
Government grant - operational		389,722	425,595
Other income	4	13,198	22,761
<b>Total income</b>		<b>402,920</b>	<b>448,356</b>
<b><u>EXPENDITURE</u></b>			
Personnel expenses	5	237,492	269,582
Operating expenses	6	24,273	28,962
Administrative expenses	7	108,459	116,910
Depreciation	10	13,198	22,761
<b>Total expenditure</b>		<b>383,422</b>	<b>438,215</b>
<b>Surplus</b>		<b>19,498</b>	<b>10,141</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income for the year</b>		<b>19,498</b>	<b>10,141</b>

*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 11 to 17.*

SUGAR INDUSTRY TRIBUNAL  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

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	Retained Earnings \$	Total \$
Balance as at 31 December 2018	248,997	248,997
Net surplus for the year 2019	10,141	10,141
Balance as at 31 December 2019	259,138	259,138
Net surplus for the year 2020	19,498	19,498
Balance as at 31 December 2020	278,636	278,636

SUGAR INDUSTRY TRIBUNAL  
 STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
<b>Current assets</b>			
Cash at bank and on hand	8	85,720	78,794
Trade and other receivables	9	217,106	199,848
<b>Total current assets</b>		<b>302,826</b>	<b>278,642</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	14,739	27,937
<b>Total non-current assets</b>		<b>14,739</b>	<b>27,937</b>
<b>Total Assets</b>		<b>317,565</b>	<b>306,579</b>
<b>Current liabilities</b>			
Trade and other payables	11	31,240	24,099
Deferred income	13	3,307	14,001
Provision for leave	12	3,608	6,063
<b>Total current liabilities</b>		<b>38,155</b>	<b>44,163</b>
<b>Non-current liabilities</b>			
Deferred income	13	774	3,278
<b>Total non-current liabilities</b>		<b>774</b>	<b>3,278</b>
<b>Total Liabilities</b>		<b>38,929</b>	<b>47,441</b>
<b>Net Assets</b>		<b>278,636</b>	<b>259,138</b>
<b>Equity</b>			
Retained earnings		278,636	259,138
<b>Total Equity</b>		<b>278,636</b>	<b>259,138</b>

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 11 to 17.

For and on behalf of the Sugar Industry Tribunal

.....  
 Registrar of the Tribunal  
 Mr Timothy Brown

Date: 26/09/23



SUGAR INDUSTRY TRIBUNAL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from government and customers		393,788	426,973
Payments to suppliers and employees		(386,862)	(425,424)
<b>Net cash provided by operating activities</b>	15 (b)	<u>6,926</u>	<u>1,549</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		-	(357)
<b>Net cash flows used in investing activities</b>		<u>-</u>	<u>(357)</u>
Net increase in cash		6,926	1,192
Cash at the beginning of the year		78,794	77,602
Cash and cash equivalents at end of the year	15 (a)	<u>85,720</u>	<u>78,794</u>

*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 11 to 17.*

**SUGAR INDUSTRY TRIBUNAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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 Institute 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.

SUGAR INDUSTRY TRIBUNAL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**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:

	<u>Rate</u>
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 its 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.

SUGAR INDUSTRY TRIBUNAL  
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) 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 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.

	2020	2019
	\$	\$
4. OTHER OPERATING INCOME		
Deferred income	13,198	22,761
	<u>13,198</u>	<u>22,761</u>

SUGAR INDUSTRY TRIBUNAL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
<b>5. PERSONNEL EXPENSES</b>		
Salaries and wages	199,028	220,841
Benefits and allowances	24,233	21,351
FNPF	7,704	21,757
FNU levy	1,221	2,450
Fringe benefit tax	5,306	3,183
	<u>237,492</u>	<u>269,582</u>
<b>6. OPERATING EXPENSES</b>		
Motor vehicle	24,273	27,282
Gang expenses	-	1,680
	<u>24,273</u>	<u>28,962</u>
<b>7. ADMINISTRATION EXPENSES</b>		
IT software, telephone fax and postage	19,962	23,388
Printing and stationery	13,603	14,836
Insurance	6,099	8,623
Advertising	5,102	7,538
Travelling	8,039	12,167
Professional fees	15,720	10,770
Rent and utilities	34,731	32,000
General expenses	5,203	7,588
	<u>108,459</u>	<u>116,910</u>
<b>8. CASH AND CASH EQUIVALENT</b>		
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	85,439	78,513
Cash on hand	281	281
	<u>85,720</u>	<u>78,794</u>
<b>9. TRADE AND OTHER RECEIVABLES</b>		
Salary advance	4,181	4,181
Deposits paid	1,836	1,836
VAT receivables	17,015	-
Other receivable	706	706
Receivable from SK Trust	11,646	11,403
Receivable from NIR	181,722	181,722
	<u>217,106</u>	<u>199,848</u>

SUGAR INDUSTRY TRIBUNAL  
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 DECEMBER 2020

10. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings	Equipment	Motor Vehicle	Total
	\$	\$	\$	\$
<b>Cost</b>				
Balance at 31 December 2019	17,470	115,017	156,713	289,200
Additions	-	-	-	-
<b>Balance as at 31 December 2020</b>	<b>17,470</b>	<b>115,017</b>	<b>156,713</b>	<b>289,200</b>
<b>Accumulated Depreciation</b>				
Balance at 31 December 2019	14,459	97,971	148,833	261,263
Annual depreciation	746	4,572	7,880	13,198
<b>Balance as at 31 December 2020</b>	<b>15,205</b>	<b>102,543</b>	<b>156,713</b>	<b>274,461</b>
<b>Carrying amount at 31 December 2019</b>	<b>3,011</b>	<b>17,046</b>	<b>7,880</b>	<b>27,937</b>
<b>Carrying amount at 31 December 2020</b>	<b>2,265</b>	<b>12,474</b>	<b>-</b>	<b>14,739</b>

	2020	2019
	\$	\$
<b>11. TRADE AND OTHER PAYABLES</b>		
Creditors and accruals	13,996	4,332
Audit fee accrual	17,244	19,767
	<b>31,240</b>	<b>24,099</b>

<b>12. EMPLOYEE BENEFIT LIABILITY</b>		
Annual leave entitlement	<b>3,608</b>	<b>6,063</b>

<b>13. DEFERRED INCOME</b>		
Balance at the beginning	17,279	39,683
<b>Add:</b> Additional capital grant from grant	-	357
<b>Less:</b> Amortisation of deferred income for the current year	(13,198)	(22,761)
	<b>4,081</b>	<b>17,279</b>
<b>Comprise of:</b>		
Current	3,307	14,001
Non-current	774	3,278
	<b>4,081</b>	<b>17,279</b>

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	85,439	78,513
Cash on hand	281	281
	<b>85,720</b>	<b>78,794</b>

SUGAR INDUSTRY TRIBUNAL  
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
<b>15. NOTES TO THE STATEMENT OF CASH FLOWS (continued)</b>		
<b>(b) Reconciliation of operating profit to cash provided by operating activities:</b>		
Net deficit)	19,498	10,141
<b>Add/(Less) non-cash items:</b>		
Depreciation	13,198	22,761
Deferred income	(13,198)	(22,761)
<b>Add: Government grant recorded in deferred income account</b>		357
<b>Change in assets and liabilities during the financial period:</b>		
(Increase)/decrease in receivables	(17,258)	1,021
Increase/(decrease) in trade payables	7,141	(15,347)
(Decrease)/increase in provision for leave	(2,455)	5,377
	<b>6,926</b>	<b>1,549</b>

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

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 (VAT inclusive amount)	400,000	439,974
	<b>400,000</b>	<b>439,974</b>

**(c) Year end balances arising from inter-related party transactions:**

**Receivables from Related Parties**

S.K. Trust	11,646	11,403
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**17. CONTINGENT LIABILITIES**

Contingent liability as at 31 December 2020 not otherwise provided for in the financial statements was Nil (2019 : Nil).

**18. CAPITAL COMMITMENTS**

Capital commitment as at 31 December 2020 not otherwise provided for in the financial statements was Nil (2019: Nil).

**19. SUBSEQUENT EVENTS**

Subsequent to year-end, in response to the second wave of COVID-19, 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 2020 financial statements.

SUGAR INDUSTRY TRIBUNAL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2020

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20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for year ended 31 December 2020 were approved by the Tribunal and authorized for issue on 26/09/2023

21. 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**