



**Sugar Industry
Tribunal**



**Annual Report
2017**



SUGAR INDUSTRY TRIBUNAL

Tribunal
Tribunal Accountant
Industrial Commissioner

Devanesh Sharma
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26 July 2023

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

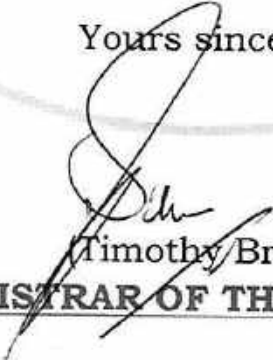
Dear Sir

RE: ANNUAL REPORT - 2017

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, 2017 to 31st December, 2017 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 – 2017

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. Shailend Ram Krishna was appointed the Sugar Industry Tribunal with effect from 23rd March 2015.

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 2017.

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 2017.

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 2,418,593.14 tonnes for the 2017 season.

PURCHASE OF ALL CANE 2017

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 2017

Under Regulation 19.1(i) of the Master Award the Corporation informed the Tribunal that the likely price for cane for the 2017 season would be \$77.21. This price was discounted by 15% to allow for the possible adverse fluctuations in exchange rates as provided for in the Master Award to arrive at a forecast price of \$65.63 per tonne of cane.

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 2017, this day fell on Tuesday, 20th June, 2017.

The Corporation wrote to the Tribunal by letter dated 25th April 2017 advising of its intention to commence crushing for Lautoka, Rarawai and Labasa as follows:

Lautoka Mill	06 th June 2017
Rarawai Mill	07 th June 2017
Labasa Mill	01 st June 2017

The Tribunal consulted the Chief Executive of the Sugar Cane Growers Council, the Actg. Chief Executive Officer of the Fiji Sugar Corporation and the Industrial Commissioner and ORDERED on 25th April 2017 that the four mills are authorized to commence crushing on the following dates:-

Lautoka Mill	06 th June 2017
Rarawai Mill	07 th June 2017
Labasa Mill	01 st June 2017



Lautoka Cane on the way to Lautoka Mill for crushing

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.

In 2017 no likely date for termination of crush was submitted by the Corporation.



Cane cutters harvesting cane before the mill closes.

Lorry drivers outside the mill before termination of crush



ACTUAL DATES FOR TERMINATION OF CRUSH

The Corporation in their letter dated 04th October 2017 applied to the Tribunal for the termination of crush at Lautoka Mill.

After consulting the Chief Executive Officer of the Sugar Cane Growers Council, and Industrial Commissioner, the Tribunal ORDERED that the Corporation terminate crush at Lautoka Mill on 17th October 2017.

The Corporation in their letter dated 04th October 2017 applied to the Tribunal for the termination of crush at Rarawai Mill.

After consulting the Chief Executive Officer of the Sugar Cane Growers Council, and Industrial Commissioner, the Tribunal ORDERED that the Corporation terminate crush at Rarawai Mill on 28th October 2017.

The Corporation in their letter dated 04th October 2017 applied to the Tribunal for the termination of crush at Labasa Mill.

After consulting the Chief Executive Officer of the Sugar Cane Growers Council, and Industrial Commissioner, the Tribunal ORDERED that the Corporation terminate crush at Labasa Mill on 19th November 2017.

BURNT CANE

“On Program Burning” was approved in all mills effective from 14th September for the 2017 season.



Contracted Vanuatu 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	21	33	20	7	81
Approvals	17	33	13	7	70
Rejections	3	-	7	-	10
In Process	1	-	6	-	7

TRANSFERS

	<u>Lautoka</u>	<u>Rarawai</u>	<u>Labasa</u>	<u>Penang</u>	<u>Total</u>
Applications	58	38	57	19	172
Approvals	57	37	52	18	164
Rejections	-	-	-	-	-
In Process	1	1	5	1	8

OTHERS

The Registrar dealt with 462 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>	<u>Penang</u>	<u>Total</u>
Applications	102	176	166	40	484
Approvals	100	170	152	40	462
In Process	2	6	14	-	22

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



A new cane grower planting cane for the new harvesting season

ALTA EXPIRY LEASE

A total of 182 new registrations were issued on ALTA expired leases, over the period 01/01/17 to 31/12/17 of these 55 new registrations were issued to new incoming landowner/ITaukei tenants and 127 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 6286 registrations have been issued to tenants on ALTA expired leases, of these 2006 were issued to new incoming landowner/ITaukei tenants and 3702 registrations were issued to new Indo Fijian tenants while 578 registrations were issued to sitting tenants.



With the assistance of Sugar Stakeholders, cane production returns to Yalava after 10 years

REGISTER OF GROWERS' STATISTICS
MILLS, DISTRICTS AND SECTOR

As at 31.12.17

<u>LAUTOKA MILL</u>					
Lautoka District	Drasa Sector	-	717	2,104	
	Natova Sector	-	462		
	Saweni Sector	-	250		
	Lovu Sector	-	408		
	Lautoka Sector	-	265		
	Estate	-	2		
Nadi District					
Nadi District	Qeleloa Sector	-	317	2,170	5,421 33%
	Malolo Sector	-	431		
	Nawaicoba Sector	-	417		
	Meigunyah Sector	-	362		
	Yako Sector	-	338		
	Legalega Sector	-	303		
	Estate	-	2		
Sigatoka District					
Sigatoka District	Cuvu Sector	-	391	1,147	
	Lomawai Sector	-	539		
	Olosara Sector	-	217		
<u>RARAWAI MILL</u>					
Rarawai District	Koronubu Sector	-	746	3,669	16,161
	Varavu Sector	-	678		
	Veisaru Sector	-	591		
	Varoko Sector	-	507		
	Mota Sector	-	497		
	Naloto Sector	-	352		
	Rarawai Sector	-	296		
	Estate	-	2		
Tavua District					
Tavua District	Tagitagi Sector	-	608	1,645	5,314 33%
	Drumasi Sector	-	566		
	Yaladro Sector	-	471		
<u>PENANG MILL</u>					
Penang District	Malau Sector	-	647	1,448	1,448 9%
	Ellington I Sector	-	271		
	Nanuku Sector	-	317		
	EIIington II Sector	-	213		
<u>LABASA MILL</u>					
Labasa District	Bucaisau Sector	-	526	3,330	
	Wailevu Sector	-	679		
	Wainikoro Sector	-	358		
	Labasa Sector	-	438		
	Vunimoli Sector	-	512		
	Waiqele Sector	-	443		
	Daku Sector	-	374		
Seaqaqa District					
Seaqaqa District	Natua Sector	-	202	648	3,978 25%
	Solove Sector	-	253		
	Bulivou Sector	-	192		
	Seaqaqa Estate	-	1		

Production - 2017

SECT	COUNT	LEASE AREA	UNDER CANE	SCA	FBA	Productive Growers	TONS
111	717	2552.8	1950	3455.05	146351	542	72179.77
112	408	1613.5	1463.4	2597.6	91462	315	54085.18
113	265	981.9	552.1	1885.83	37983	131	12435.56
114	250	976.7	564.4	1071.08	35027.7	134	15735.91
115	462	1903.4	1220.5	2440.5	85163	260	31216.41
119	2	218.8	112.1	163.7	6573	2	7513.16
121	303	1264.8	974.4	2077.37	59891	185	26718.48
123	362	1520.1	1190.3	2836.07	80638	249	31938.94
124	317	1137	666.8	1604.67	51103	184	19086.71
125	338	1537.8	825.2	3188.87	63294	199	19557.33
126	431	1856.9	1008.3	2862.38	78806	300	28557.35
127	417	1989.5	1283.8	3031.5	97687	327	39603.63
129	2	150.3	63.8	85.0	4447	1	3973.6
131	539	2434.91	1581.2	2933.03	100095	370	38809.38
132	391	1859.5	968.4	2675.64	67614.7	186	23630.55
133	217	903.6	351.5	1365.94	30028	40	4511.9
211	507	1763.5	1307.4	2576.23	96926	372	50848.56
212	497	2055.4	1343.3	485.27	44520	393	42829.19
213	746	3023.69	1747.4	5913.65	158917.2	598	53452.58
214	296	995.6	745.2	1165.68	56802	234	30324.87
215	591	2690.9	1586.8	2453.66	69277	452	51423.29
216	678	2472.16	1492.5	610.04	29432	469	46025.98
217	352	1566	1030.8	561.85	26444	283	34717.64
219	2	122.6	78.0	121.7	6119	2	3355
221	608	2580.3	1496.7	674.41	25438.2	386	30733.66
222	566	2730.4	1294.7	82.5	96956.2	375	34596.72
223	471	1817.1	966.5	577.06	78311	309	29550.31
311	443	2524.8	2225.2	3839.31	126517.94	397	94653.75
312	679	3018.63	2766.6	5821.66	152454	617	133238.41
313	512	1576.29	1666.1	2898.57	69874	450	75705.74
314	438	1042.2	1108.9	3022.29	59580	325	39942.63
315	526	2076.2	1796.6	128.06	4555	496	94187.21
316	358	1347.6	1047.9	22.92	798	328	94187.21
317	374	1742.8	1419.1	966.58	17459	280	49065.19
321	202	1047.4	1116.5	3024.1	44800.2	165	39949.74
322	253	2315	1793.5	4923.1	117021	202	55393.27
323	192	1715	1230.3	5256.53	78957	150	46104.85
329	1	688	3968.2	200	3250	1	6780.07
411	271	40.3	675.6	41.7	1071	192	14989.12
412	647	199.9	1862.7	186.57	4707	576	68235.28
413	317	230.96	802.4	344.89	4917	254	22120.12
414	213	107.6	498.7	59.8	3200	140	12886.35
Total	16161	64579.04	52395.29	80232.36	2418593.14	11871	1631375.25

REGISTER OF GROWERS**R A C E S - 2017**

	LAUTOKA	RARAWAI	PENANG	LABASA	TOTAL
INDIAN	4,265	4,251	40	2,230	10,786
FIJIAN	1,086	991	34	403	2,514
OTHERS	70	72	1,374	1,345	2,861
TOTAL	5,421	5,314	1,448	3,978	16,161

TOTAL

INDIAN	-	10,786	66.74%
FIJIAN	-	2,514	15.56%
OTHERS	-	2,861	17.70%
		-----	-----
		16,161	100.00%
		=====	=====

REGISTER OF GROWERS
METHOD OF DELIVERY - 2017

	LAUTOKA	RARAWAI	PENANG	LABASA	TOTAL
PORTABLE LINE	416	607	140	459	1,622
TRACTOR TRAILER	1,826	1,763	136	909	4,634
LORRY DIRECT	3,179	2,944	1,172	2,610	9,905
TOTAL	5,421	5,314	1,448	3,978	16,161

TOTAL

PORTABLE LINE	-	1,622	10.04%
TRACTOR TRAILER	-	4,6434	28.67%
LORRY DIRECT	-	9,905	61.29%
		-----	-----
		16,161	100.00%
		=====	=====

REGISTER OF GROWERS
FORM OF LAND TITLE - 2017

	LAUTOKA	RARAWAI	LABASA	PENANG	TOTAL
NATIVE LAND	3,314	3,127	3,166	553	10,160
CROWN LEASE	1,207	1,434	478	470	3,589
FREEHOLD	512	490	126	224	1,352
VAKAVANUA	264	71	3	115	453
OTHERS	124	192	205	86	607
TOTAL	5,421	5,314	3,978	1,448	16,161

TOTAL

NATIVE LEASE	-	10,160	62.9%
CROWN LEASE	-	3,589	22.2%
FREEHOLD	-	1,352	8.4%
VAKAVANUA	-	453	2.8%
OTHERS	-	607	3.7%
		-----	-----
		16,161	100.00%
		=====	=====

REGISTER OF GROWERS

FARM BASIC ALLOTMENT - 2017

Farm Basic Allotment				
	0-100	101-300	Over 301	Total
Lautoka	1387	3200	834	5421
Rarawai	2759	2080	475	5314
Labasa	1935	1286	757	3978
Penang	1389	52	7	1448
Total	7470	6618	2073	16161

TOTAL

0-100	-	7,470	46.0%
101-300	-	6,618	41.0%
OVER 301	-	2,073	13.0%
		-----	-----
		16,161	100.00%
		=====	=====

**REGISTERED GROWERS PRODUCTION RANGE
SEASON 2017**

	No. of growers	SCA	FBA	Productions	Area Cut	TPHA
Range						
1 - 50.00	5902	5249.78	30702.29	524847.56	12386.7	42.37
50.00 - 100.00	1568	7166.56	122344.4	63670.17	1573.6	40.46
100.00-200.00	4233	23487.06	686862.59	306354.54	7676.3	39.9
200.00 - 300.00	2385	16938.66	592779.83	280253.76	6458.7	43.39
300.00 - 400.00	1167	11401.04	400741.76	200359.88	4330.6	46.26
400.00 - 500.00	479	6074.98	212928.83	109330.75	2313.2	47.26
500.00 - 600.00	190	2895.08	103741.82	51115.42	1134.5	45.05
600.00-700.00	94	1705.43	60436.69	31695.61	656.6	48.27
>1000.00	143	4907.07	194238.93	63747.56	1242.5	51.3
	16161	79825.66	2404777.14	1631375.25	37772.7	404.26

**TOTAL REGISTRATION ISSUED ON EXPIRED ALTA LEASES BETWEEN
01/01/97- 31/12/17**

	FIJIAN			INDIAN			TOTAL		
	NEW	SIT	TOT	NEW	SIT	TOT	NEW	SIT	TOT
LTK	644	13	657	1285	194	1479	1929	207	2136
RAR	640	11	651	1223	134	1357	1863	145	2008
LAB	527	5	532	1084	201	1285	1611	206	1817
PEN	195	11	206	110	9	119	305	20	325
TOT	2006	40	2046	3702	538	4240	5708	578	6286

APPENDIX I(h)

**TOTAL REGISTRATION ISSUED ON EXPIRED ALTA
LEASES BETWEEN 01/01/17 - 31/12/17**

	FIJIAN			INDIAN			TOTAL		
	NEW	SIT	TOT	NEW	SIT	TOT	NEW	SIT	TOT
LTK	6	0	6	26	0	26	32	0	32
RAR	26	0	26	36	0	36	62	0	62
LAB	8	0	8	58	0	58	66	0	66
PEN	15	0	15	7	0	7	22	0	22
TOT	55	0	55	127	0	127	182	0	182

PART V – ACCOUNTANT TO THE TRIBUNAL

FORECAST CANE PRICE FOR 2017 SEASON

The 2017 season forecasted price of cane was \$77.21 per tonne of cane. This was discounted by 15% to arrive at forecast price of cane of \$65.63 per tonne for the 2017 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	\$228,519,012
Est. Growers Share of Proceeds (Sec 20.2)	\$159,963,308
Est. Tonnes of Sugar Produced	227,542
Est. Tonnes of Cane Delivered and paid for	2,047,880
Forecasted Price per tonne of Cane	\$77.21
Forecast Price of Cane (15% Margin of error)	\$65.63

FORECAST CANE PRICE		2017	2016	2015
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
- Local & Regional		33,132,000	47,207,125	33,132,000
- Stocks				
From Molasses - Overseas		18,051,527	12,711,020	16,885,000
- Local		825,000	875,000	875,000
TOTAL		233,036,527	166,758,130	217,829,285
Additional Income was Received from:				
Fiji Sugar Marketing Co Ltd (Excess Income for the year)				
Sundries				
		233,036,527	166,758,130	217,829,285
Deductions prior to dividing proceeds were:				
Export duty - Sugar				
- Molasses				506,550
Bulk loading costs & SCRC		1,669,768	1,669,768	
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
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				
Total Deductions		4,517,515	3,459,860	4,200,663
Revenue for Distribution		228,519,012	163,298,270	213,628,622
This was divided under the terms of the Master Award as follows:				
Payable to the Growers		159,963,308	114,308,789	149,540,035
Less growers contribution to SRIF 2016&2017		1,844,587		900,000
Less growers contribution to SCGF				
Nett payable to growers		158,118,721	114,308,789	148,640,035
Equaling per tonne of cane		77.21	77.29	73.77
The forecast price was:		65.63	39.42	62.70
The Millers share was:		68,555,703	49,989,481	64,088,587
or per tonne of cane crushed		33.48	33.12	32.00

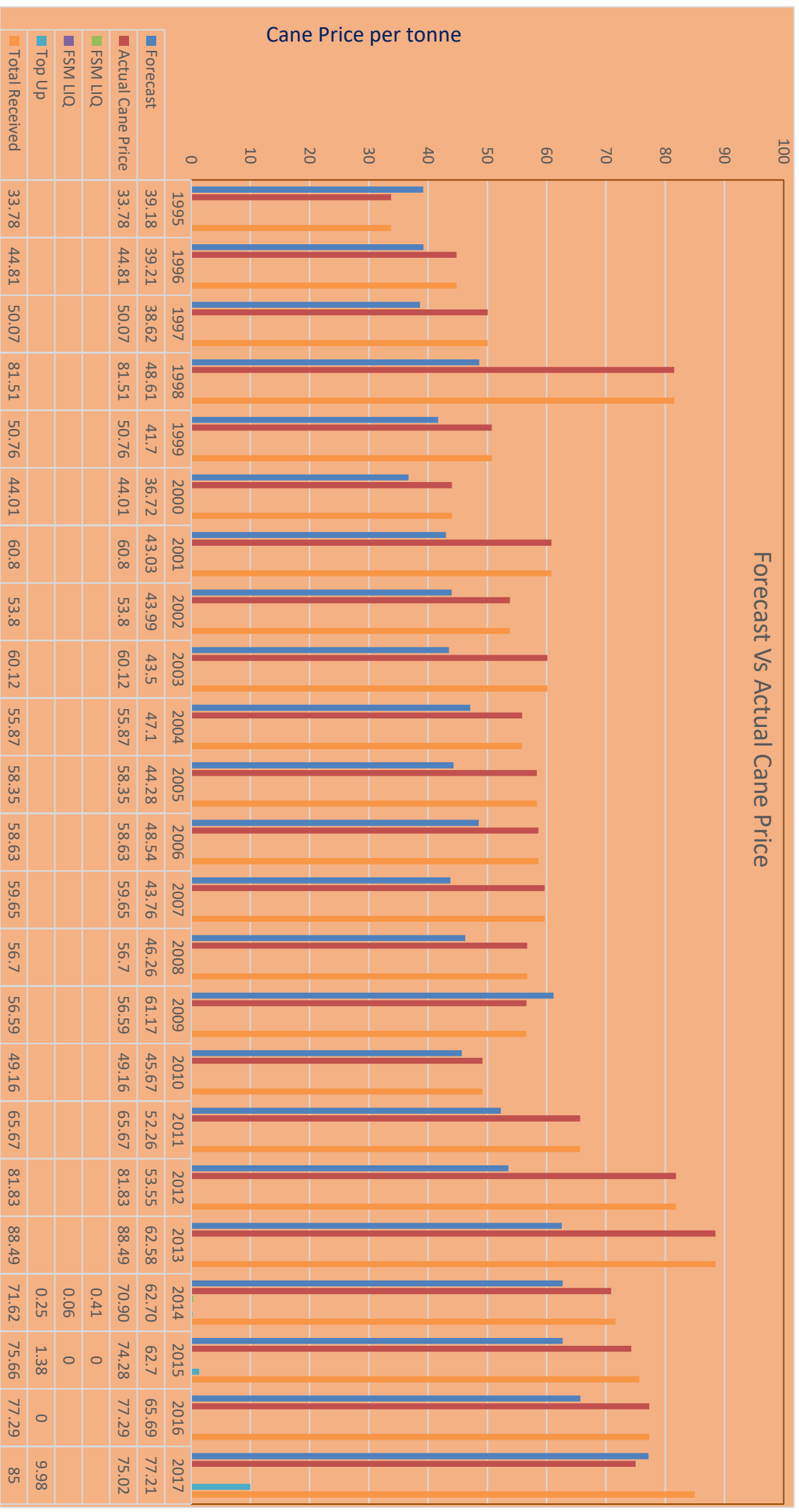
FORECAST CANE PRICE		2014	2013	2012
Tonnes of cane paid	MT	1,920,000	1900,000	1,906,000
Which Produced:				
Sugar	MT	204,255	190,000	150,079
[TCTS]				12.70
Molasses	MT	67,200	76,000	76,240
Proceeds:				
From Sugar – Overseas (net of marketing commission)		158,093,617	159,262,121	132,121,727
- Overseas		33,132,000	34,955,976	
- Local & Regional				34,955,976
- Freight & Commission		15,550,000	14,947,368	
From Molasses - Overseas		875,000	620,000	13,632,854
- Local				1,240,000
T O T A L		207,650,617	209,785,466	180,950,557
Additional Income was Received from:				
Fiji Sugar Marketing Co Ltd (Excess Income for the year)				
Sundries				
Total Income		207,650,617	209,785,466	180,950,557
Deductions prior to dividing proceeds were:				
Export duty - Sugar			4,777,864	
- Molasses		466,500	4,484,81	408,986
Bulk loading costs & SCRC		1,669,768	1,577,717	1,577,717
Wharfage, handling costs, Insurance and bagging costs		106,713	53,988	
Wharfage, Sugar		96,410	110,050	
Molasses				40,814
Molasses Handling		107,606	122,830	114,595
Marketing Cost		300,000	300,000	300,000
Costs drawn by Sugar Commission of Fiji and Mill Area Committees			100,000	
Contributed to the costs of the Sugar Cane Research Centre			1,166,301	
Rouging Costs		100,000		200,000
Lorry Transport Allowance		1,206,845		1,169,984
Sundries			8,657,170	
Cost of importing Sugar			201,128,295	
Cost Handling import sugar				
Total Deduction		4,053,842		3,914,768
Revenue for Distribution		203,596,775	140,789,807	177,035,790
This was divided under the terms of the Master Award as follows			900,000	
Payable to the Growers		142,517,743	-	123,925,053
Less growers contribution to SRIF		900,000	139,889,807	900,000
Less growers contribution to SCGF			73.63	2,940,839
Nett payable to growers		141,617,743	62.58	120,084,214
Equaling per tonne of cane		73.76	60,338,488	63.00
The forecast price was:		62.70	31.76	53.55
The Millers share was:		61,079,033		53,110,737
or per tonne of cane crushed		31.82		27.00

FINAL CANE PRICE FOR 2017 SEASON

The 2017 season returned to the growers \$75.02 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	\$178,751,718
Growers Share of Proceeds (Sec 20.2)	\$125,126,202
Tonnes of Sugar Produced	180,389
Tonnes of Cane Delivered and paid for	1,631,375
Price per tonne of Cane	\$75.02

Government topped up the Cane Price by \$9.98 per tonne to bring the total paid out to growers to \$85.00 per tonne of cane for the 2017 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 2017 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

23 applications received. 22 approved, 2 pending and 1 not approved.

Change of Method of delivery

8 applications received. 7 approved and 1 pending.

Gang transfer

193 applications received. 190 approved and 3 not approved.

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

Gang Disputes

In the year 2017, 47 gang disputes were referred to the Industrial Commissioner for decisions. The decision on each of the 47 cases was handed down by the Industrial Commissioner.



Growers meeting to discuss issues concerning their welfare

PART VII - EMPLOYEE BENEFIT FUND - 2017

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 \$70,854.00 was approved to members during the year. The Fund has total net assets worth \$507,187.73.

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 \$26,664.69 loans were approved to members during the year. The fund has total net assets worth \$286,691.75.

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 \$39,391.79 was approved to members during the year. The Fund has total net assets worth \$358,880.50.



Sugar Workers attain Australian qualifications



SUGAR INDUSTRY TRIBUNAL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



SUGAR INDUSTRY TRIBUNAL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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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 2017.

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 2017.

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

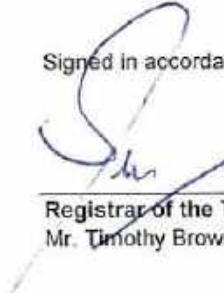
The deficit for the year ended 31 December 2017 was \$68,441 (2016: Surplus of \$173,146).

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 2017 financial statements.

Dated at Sautoka, Fiji this 23rd day of June 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



Level 1, Modyl Plaza
Karsanji St. Vatuwaqa
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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 2017, 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 2017, 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 \$210,127 as reported in the Statement of Financial Position. As a result, I was unable to ascertain whether trade and other receivables balance of \$210,127 is fairly stated in the financial statements as at 31 December 2017.
2. The Tribunal adjusted the prior year balances reported in the 2017 financial statements, however, did not comply with the requirements of IFRS for SME's Section 10 – Accounting Policies, Estimates and Errors, paragraph 10.23. The Tribunal did not disclose in Note 20 of the financial statements the amount of correction and explanation for each financial statement line item affected. In addition, the Tribunal did not provide adequate supporting documents to substantiate the restatement or adjustments totaling \$166,179 made to the prior year balances. As a result, I was unable to ascertain the accuracy and completeness of the prior year adjustment effected in the financial statements as at 31 December 2017.
3. The Tribunal did not comply with the requirements of IFRS for SMEs Section 24 – Government Grants by not recognizing government grant totaling \$18,175 in income as the grant does not impose specified future performance conditions. In addition, the deferred income balance of \$268,890 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(l) 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 \$268,890 is fairly stated in the financial statements as at 31 December 2017.
4. Included in the Property, Plant and Equipment (PPE) balance of \$279,233 are assets relating to the Geographical Information System ('GIS') Cadastre Development Programme of \$220,271. The GIS program was transferred to Ministry of Sugar in July 2017 for implementation. The Tribunal did not adjust the PPE balance relating to the GIS program accordingly from the books of accounts and financial statements. As a result, the property, plant and equipment balance is overstated by \$220,271 in the financial statements as at 31 December 2017.

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 Accountants' *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 19 to the financial statements notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2017 and how this has been considered by the Tribunal in the preparation of the financial statements. As set out in Note 19, 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 2017.

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.

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.


Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
10 July 2023

SUGAR INDUSTRY TRIBUNAL
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$	Restated 2016 \$
INCOME			
Government grant - operational		581,965	794,526
Other income	4	220,613	295,638
Total income		802,578	1,090,164
EXPENDITURE			
Personnel expenses	5	402,873	450,074
Operating expenses	6	63,056	97,873
Administrative expenses	7	193,652	163,457
Depreciation	10	211,438	205,614
Total expenditure		871,019	917,018
(Deficit)/surplus		(68,441)	173,146
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(68,441)	173,146

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 18.

SUGAR INDUSTRY TRIBUNAL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017


	Reserves \$	Retained Earnings \$	Total \$
Balance as at 31 December 2015	-	133,429	133,429
Net surplus for the year (Restated)	-	173,146	173,146
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

SUGAR INDUSTRY TRIBUNAL
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2017

	Notes	2017 \$	Restated 2016 \$
Current assets			
Cash at bank and on hand	8	84,544	174,649
Trade and other receivables	9	210,127	431,174
Total current assets		294,671	605,823
Non-current assets			
Property, plant and equipment	10	279,233	472,496
Total non-current assets		279,233	472,496
Total Assets		573,904	1,078,319
Current liabilities			
Trade and other payables	11	64,504	306,248
Deferred income	13	211,438	205,614
Provision for leave		704	-
Finance lease liability	14	1,672	1,671
Total current liabilities		278,318	513,533
Non-current liabilities			
Deferred income	13	57,452	256,539
Finance lease liability	14	-	1,672
Total non-current liabilities		57,452	258,211
Total Liabilities		335,770	771,744
Net Assets		238,134	306,575
Equity			
Retained earnings		238,134	306,575
Total Equity		238,134	306,575

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 18.

For and on behalf of the Sugar Industry Tribunal


 Registrar of the Tribunal
 Mr. Timothy Brown

Date: 23/6/23

SUGAR INDUSTRY TRIBUNAL
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$	Restated 2016 \$
Cash flows from operating activities			
Receipts from government and customers		1,007,523	1,101,312
Payments to suppliers and employees		(1,077,782)	(913,794)
Net cash provided by operating activities	15 (b)	<u>(70,259)</u>	<u>187,518</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(18,175)	(26,165)
Net cash flows used in investing activities		<u>(18,175)</u>	<u>(26,165)</u>
Cash flows from financing activities			
Financing Lease		(1,671)	(1,671)
Net cash flows used in financing activities		<u>(1,671)</u>	<u>(1,671)</u>
Net (decrease)/increase in cash		(90,105)	159,682
Cash at the beginning of the year		174,649	14,967
	15 (a)	<u>84,544</u>	<u>174,649</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 18.



**SUGAR INDUSTRY TRIBUNAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

NOTE 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.

NOTE 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).

NOTE 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 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 & 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.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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

(h) Impairment of non-financial assets

The company 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 company 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.

(i) 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.

**SUGAR INDUSTRY TRIBUNAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017**

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Trade and other receivables

Receivables are stated at expected realized value. 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.

(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.

(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.

Government grants relating to assets requires setting up the grant as deferred income or deducting it from the carrying amount of the asset.

A government grant is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. Receipt of a grant does not of itself provide conclusive evidence that the conditions attaching to the grant have been or will be fulfilled.

There are no unfulfilled conditions or other contingencies attached to the government assistance that have been recognised.

(m) Deferred Income

Deferred income relates to capital grants received for the purchase of fixed assets. The income approach has been used to account for capital grant.

(n) Provisions

Provisions are recognised when the Company 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 wages and salaries, 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 company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the company 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.

SUGAR INDUSTRY TRIBUNAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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

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.

	2017 \$	Restated 2016 \$
NOTE 4: OTHER OPERATING INCOME		
Interest in salary advance	-	1,581
Deferred income	211,438	205,614
Miscellaneous	9,175	88,443
	<u>220,613</u>	<u>295,638</u>

NOTE 5: PERSONNEL EXPENSES

Salaries and wages	258,012	325,412
Benefits and allowances	58,918	38,069
FNPF	65,486	52,889
FNU levy	3,475	1,749
Fringe benefit tax	4,157	3,205
PAYE	12,825	28,750
	<u>402,873</u>	<u>450,074</u>

NOTE 6: OPERATING EXPENSES

GIS other expenses	1,661	2,184
Meal and allowance	3,630	31,637
Motor vehicle	55,586	40,335
Other expenses	-	4,552
Gang expenses	2,179	19,165
	<u>63,056</u>	<u>97,873</u>

NOTE 7: ADMINISTRATION EXPENSES

IT software, telephone fax and postage	40,153	15,366
Printing and stationery	33,639	20,336
Insurance	26,049	13,858
Advertising	5,230	4,800
Travelling and subsistence	-	3,879
Professional fees	13,900	34,714
Rent and utilities	37,040	33,758
General expenses	25,755	23,171
Meetings and conferences	11,886	11,455
Master award review	-	2,120
	<u>193,652</u>	<u>163,457</u>



SUGAR INDUSTRY TRIBUNAL
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	Restated 2016
	\$	\$

NOTE 8: CASH AND CASH EQUIVALENT

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	84,181	170,380
- GIS	82	3,988
Cash on hand	281	281
	<u>84,544</u>	<u>174,649</u>

NOTE 9: TRADE AND OTHER RECEIVABLES

Salary advance	5,787	3,227
Deposits paid	1,836	1,836
VAT receivable	(95)	9,656
Other receivable	10,729	68,003
Receivable from SK Trust	10,168	-
Receivable from NIR	181,702	348,452
	<u>210,127</u>	<u>431,174</u>

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	Furniture \$	Equipment \$	Motor Vehicle \$	Total \$
Cost				
Balance at 31 December 2016 (re-stated)	21,005	423,379	401,061	845,445
Additions	811	17,364	-	18,175
Disposals	-	-	-	-
Balance as at 31 December 2017	<u>21,816</u>	<u>440,743</u>	<u>401,061</u>	<u>863,620</u>
Accumulated Depreciation				
Balance at 31 December 2016(re-stated)	12,159	206,036	154,754	372,949
Annual depreciation	1,460	149,819	60,159	211,438
Transfers	-	-	-	-
Balance as at 31 December 2017	<u>13,619</u>	<u>355,855</u>	<u>214,913</u>	<u>584,387</u>
Carrying amount at 31 Dec 2016 (re-stated)	<u>8,846</u>	<u>217,343</u>	<u>246,307</u>	<u>472,496</u>
Carrying amount at 31 December 2017	<u>8,197</u>	<u>84,888</u>	<u>186,148</u>	<u>279,233</u>

	2017	Restated 2016
	\$	\$

NOTE 11: TRADE AND OTHER PAYABLES

Creditors and accruals	52,737	270,107
Rent due	-	23,992
Audit fee accrual	11,767	12,149
	<u>64,504</u>	<u>306,248</u>

SUGAR INDUSTRY TRIBUNAL
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	Restated 2016
	\$	\$
NOTE 12: EMPLOYEE BENEFIT LIABILITY		
Annual Leave entitlement	704	-

NOTE 13: DEFERRED INCOME

Deferred income relates to capital grants received for the purchases of fixed assets. The income approach has been used to account for Capital Grant.

Balance at the beginning	462,153	643,587
Add: Additional capital grant for the current year	18,175	24,180
Less: Amortisation of deferred income for the current year	(211,438)	(205,614)
	<u>268,890</u>	<u>462,153</u>
Comprise of:		
Current	211,438	205,614
Non-current	57,452	256,539
	<u>268,890</u>	<u>462,153</u>

NOTE 14: FINANCE LEASE LIABILITY

Balance at the beginning	3,343	5,014
Less: Lease rent paid during the year	(1,671)	(1,671)
	<u>1,672</u>	<u>3,343</u>

The finance lease liability is payable as follows:

No later than 1 year	1,672	1,671
Later than 1 year but no later than 5 years	-	1,672
Total	<u>1,672</u>	<u>3,343</u>

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.

NOTE 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	84,263	174,368
Cash on hand	281	281
	<u>84,544</u>	<u>174,649</u>

(b) Reconciliation of operating profit to cash provided by operating activities:

Net (deficit) / surplus	(68,441)	173,146
Add/(Less) non-cash items:		
Depreciation	211,438	205,614
Prior period adjustments	-	(123,649)
Change in assets and liabilities during the financial period:		
Decrease in receivables	221,047	135,853
Decrease in trade payables	(241,744)	(20,613)
Decrease in deferred income	(193,263)	(181,433)
Increase/(decrease) in provision for leave	704	(1,400)
	<u>(70,259)</u>	<u>187,518</u>



SUGAR INDUSTRY TRIBUNAL
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 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*)

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.

	2017	Restated 2016
	\$	\$
Ministry of Sugar - Operating Grant SIT	440,318	600,728
Ministry of Sugar - GIS	159,822	211,980
	<u>600,140</u>	<u>812,708</u>

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

Receivables from Related Parties		
S.K. Trust	<u>10,168</u>	<u>-</u>

NOTE 17 CONTINGENT LIABILITIES

Contingent liability as at 31 December 2017 not otherwise provided for in the financial statements was Nil (2016 : Nil).

NOTE 18 CAPITAL COMMITMENTS

Capital commitment as at 31 December 2017 not otherwise provided for in the financial statements was Nil (2016: Nil).

NOTE 19 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 2017 financial statements.

NOTE 20 RESTATEMENT OF 2016

Comparative account balances for the year ended 31 December 2016 have been restated to correct inaccuracies in that financial year. The nature and materiality of these errors have been reviewed and has resulted in necessary corrections and the restatement of the 2016 balances.

NOTE 21 APPROVAL OF FINANCIAL STATEMENTS

The financial statements for year ended 31 December 2017 were approved by the Tribunal and authorised for issue on

**SUGAR INDUSTRY TRIBUNAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017**

NOTE 22 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