



# FINANCIAL REPORT

**Sugar Research Institute of Fiji**

**Financial Statements**

**For the year ended 31 December 2015**

## **Sugar Research Institute of Fiji**

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## **Sugar Research Institute of Fiji**

### **Directors' report**

#### **Board report**

In accordance with a resolution of the Board of Directors, the directors herewith submit the statement of financial position of Sugar Research Institute of Fiji (the "Institute") as at 31 December 2015 and the related statement of profit or loss and other comprehensive income and statement of cash flows for the year ended on that date and report as follows:

#### **Directors**

The Institute did not have a Board present for the period 30 September 2012 to 4 May 2014. An interim board was appointed by the Ministry of Sugar on 4 May 2014 and the Board details were as follows:

Mr Abdul Khan (appointed on 4 May 2014)

Mr Manasa Tagicakibau (appointed on 4 May 2014)

Mr Sundresh Chetty (appointed on 4 May 2014)

The new Board was appointed on 1 March 2015. The Directors in office and up to the date of this report are:

Professor Rajesh Chandra - Chairman (appointed 1 March 2015)

Mr Abdul Khan (appointed on 1 March 2015)

Mr Daniel Elisha (appointed 1 March 2015)

Mr Manasa Tagicakibau (appointed on 1 March 2015 and resigned on 18 July 2017)

Professor Paras Nath (appointed 1 March 2015)

Mr Sundresh Chetty (appointed on 1 March 2015)

Dr K. Shanmudha Sundaram (appointed 1 March 2015)

Mr Graham Clark (appointed 18 July 2017)

Ms Reshmi Kumari (appointed 18 July 2017)

The Board has taken all necessary steps to have the accounts prepared properly with external input and has insured that the external auditors have unfettered access to all documents and information sought by them with the shared aim to ensure that the final accounts represent the true state of affairs of the Institute in 2015, including any liabilities.

#### **State of affairs**

In the opinion of the Board the accompanying statement of financial position gives a true and fair view of the state of affairs of the Institute as at 31 December 2015 and the accompanying statement of profit or loss and other comprehensive income and statement of cash flows give a true and fair view of the results and cash flows of the Institute for the year then ended.

#### **Principal activity**

The functions of the Institute are outlined under the Sugar Research Institute of Fiji Act No 14 of 2005, which includes promoting by means of research and investigation, the technical advancement, efficiency and productivity of the sugar industry, and to provide its functions, powers, administration and finance and for related matters.

#### **Current assets**

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

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

**Sugar Research Institute of Fiji**  
**Directors' report (continued)**

**Receivables**

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

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

**Related party transactions**

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

**Other circumstances**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the accounts to be misleading.

**Unusual circumstances**

The results of the Institute's operations during the financial year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

**Going concern**

The Institute's ability to continue to operate on a going concern basis is dependent on it receiving ongoing financial support from The Government, stakeholders in the Sugar Industry and other Donor Agencies. The Board Members consider the application of the going concern principle to be appropriate in the preparation of these financial statements as the Institute will continue to receive ongoing support from the Government and stakeholders in the Sugar Industry, which will enable the Institute to meet its funding requirements for operations and to meet its obligations as and when they fall due. The Institute receives funds from The Government, Fiji Sugar Corporation, and Growers through Sugar Cane Growers Council.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Institute be unable to continue as a going concern.

**Events subsequent to balance date**


There is a draft Sugar Industry Bill before the parliament that is proposing major changes in the functioning of Sugar Research Industry of Fiji and until this bill is passed, the Board cannot give assurance about the future of Sugar Research Institute of Fiji in its present form.

Apart from the above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Institute, the results of those operations or the state of affairs of the Institute in subsequent financial years.

Dated at Lautoka this 01 day of NOVEMBER 2017.

Signed in accordance with a resolution of the Board.

  
Chairman

  
Board member



Honorable Commodore Josaia Voreqe Bainimarama  
Minister responsible for the Sugar Industry  
PO Box 2212  
Government Buildings  
Suva

Dear Minister

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF SUGAR RESEARCH INSTITUTE OF FIJI**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Sugar Research Institute of Fiji, which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out in notes 1 to 19.

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

Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF SUGAR RESEARCH INSTITUTE OF FIJI (continued)**

**Basis for qualification**

*VAT Payable*

The financial statements show an amount of VAT payable to the Fiji Government of \$541,323. The VAT status of the Institute is currently being determined with FRCA and it is not presently known what the outcome of this will be. The impact on the amount recorded in the financial statements is currently incapable of determination, and accordingly, we are not able to determine what adjustments, if any, might be necessary to the amounts recorded in the financial statements.

*Expenses*

The Institute recorded \$4,009,814 in total expenses in the statement of profit or loss and other comprehensive income for the year ended 31 December 2015. The Institute did not provide appropriate supporting documents totalling \$36,314 for the year ended 31 December 2015 for audit verification. As a result we were unable to determine whether any adjustments might have been necessary in respect of the Institute's total expenses for the year ended 31 December 2015, and the elements making up the statement of financial position and cash flows.

**Opinion**

In our opinion, except for the possible effects of the matters noted in the Basis for Qualification opinion paragraphs, the financial statements give a true and fair view of the financial position of Sugar Research Institute of Fiji as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Report on Other Legal and Regulatory Requirements**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion:

- i) proper books of account have been kept by the Institute, so far as it appears from our examination of those books;
- ii) the financial statements are in agreement with the books of account; and
- iii) to the best of our information and according to the explanations given to us the financial statements give the information required by the Sugar Research Institute of Fiji Act, 2005 in the manner so required.

**1 November, 2017  
Nadi, Fiji**

**KPMG  
Chartered Accountants**

**Sugar Research Institute of Fiji**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2015**

	Note	2015 \$	2014 \$
Contributions and grants	6	3,743,559	2,380,353
Estate income		224,413	226,279
Other income	7	<u>2,537</u>	<u>108,546</u>
<b>Total income</b>		3,970,509	2,715,178
Cost of operations	8	(1,678,857)	(1,249,324)
Administrative expenses	9 (a)	<u>(2,330,957)</u>	<u>(1,485,426)</u>
<b>Deficit from operations</b>		(39,305)	(19,572)
Finance income		39,305	19,572
<b>Deficit before tax</b>		-	-
Income tax benefit	10	<u>-</u>	<u>-</u>
Balance at the beginning of the year		-	-
<b>Deficit for the year</b>		<u>-</u>	<u>-</u>

The notes on pages 8 to 18 are an integral part of these financial statements.




**Sugar Research Institute of Fiji**  
**Statement of financial position**  
**For the year ended 31 December 2015**

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	4,000,895	2,674,107
Receivables and prepayments	13	157,104	2,750
Receivable from related parties	17 (b)	5,224,999	5,924,999
<b>Total current assets</b>		<u>9,382,998</u>	<u>8,601,856</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	<u>4,019,316</u>	<u>4,225,307</u>
<b>Total non-current assets</b>		<u>4,019,316</u>	<u>4,225,307</u>
<b>Total assets</b>		<u>13,402,314</u>	<u>12,827,163</u>
<b>Current liabilities</b>			
Bank overdraft	12	-	16,836
Deferred income	14	10,448,540	10,083,526
Payable to related parties	17 (c)	2,260,537	2,254,407
Employee benefits	15	45,933	45,933
Trade and other payables	16	<u>647,304</u>	<u>426,461</u>
<b>Total current liabilities</b>		<u>13,402,314</u>	<u>12,827,163</u>
<b>Total liabilities</b>		<u>13,402,314</u>	<u>12,827,163</u>

Signed on behalf of the board

  
Chairman

  
Board Member

The notes on pages 8 to 18 are an integral part of these financial statements.

**Sugar Research Institute of Fiji**  
**Statement of cash flows**  
**For the year ended 31 December 2015**

	Note	2015 \$	2014 \$
<b>Operating Activities</b>			
Receipts from stakeholders and donors		4,335,523	3,093,462
Payment to suppliers and employees		(3,631,442)	(2,365,975)
Interest received		39,305	19,572
<b>Cash flows provided by Operating Activities</b>		<u>743,386</u>	<u>747,059</u>
<b>Investing Activities</b>			
Acquisition of property, plant and equipment	11	(116,598)	(583,791)
Received from related parties		700,000	-
<b>Cash flows used in Investing Activities</b>		<u>583,402</u>	<u>(583,791)</u>
Net increase in cash and cash equivalents		1,326,788	163,268
Cash and cash equivalents at the beginning of the year		2,674,107	2,510,839
Cash and cash equivalents at 31 December	12	<u>4,000,895</u>	<u>2,674,107</u>

The notes on pages 8 to 18 are an integral part of these financial statements.

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

**1. Reporting entity**

Sugar Research Institute of Fiji (the "Institute") is a body corporate domiciled in Fiji, established under the Sugar Research Institute of Fiji Act 2005. The address of the Institute's registered office is Drasa, Lautoka, Fiji.

The functions of the Institute are outlined under Sugar Research Institute of Fiji Act No 14 of 2005, which includes promoting by means of research and investigation, the technical advancement, efficiency and productivity of the sugar industry, and to provide its functions, powers, administration and finance and for related matters.

**2. Basis of preparation**

**(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Board of Directors on \_\_\_\_\_.

**(b) Going concern**

The Institute's ability to continue to operate on a going concern basis is dependent on it receiving ongoing financial support from The Government, stakeholders in the Sugar Industry and other Donor Agencies. The Board Members consider the application of the going concern principle to be appropriate in the preparation of these financial statements as the Institute will continue to receive ongoing support from the Government and stakeholders in the Sugar Industry, which will enable the Institute to meet its funding requirements for operations and to meet its obligations as and when they fall due. The Institute receives funds from The Government, Fiji Sugar Corporation, and Growers through Sugar Cane Growers Council.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Institute be unable to continue as a going concern.

**(c) Basis of measurement**

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

**(d) Functional and presentation currency**

The financial statements are presented in Fiji dollars, rounded to the nearest dollar, which is the Institute's functional currency.

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

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

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

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

**3. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statement.

**(a) Foreign currency transactions**

Transactions in foreign currencies are translated to Fiji dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Fiji dollars at the exchange rate at that date. The foreign currency gains or losses on translation are recognised in profit or loss.

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

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Costs includes expenditure that is directly attributable to the acquisition of the asset. Any gain or loss on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised in profit or loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Institute and its cost can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated to write off the costs of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Building and land	80 years
Computers	5 years
Fixtures and fittings	10 years
Motor vehicles	6.67 years
Plant and equipment	6.67 - 10 years

Depreciation methods, useful lives and residual values are reassessed at reporting date and adjusted if appropriate.

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

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

**(c) Financial instruments**

(i) Non-derivative financial assets

The Institute initially recognises receivables on the date that they originate. All other financial assets are recognised initially on the trade date at which the Institute becomes a party to the contractual provisions of the instrument.

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

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

The Institute classifies non-derivative financial assets into loans and receivables.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Receivables comprise receivables from related party receivables, prepayments, deposits and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprises cash at bank, cash on hand and bank overdraft.

(ii) Non-derivative financial liabilities

Financial liabilities are initially recognised on the trade date when the Institute becomes a party to the contractual provisions of the instrument. The institute derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost using the effective interest method.

The institute has the following non-derivate financial liabilities: trade and other payables and payable to related parties.

Trade and other payables and payable to related party are stated at amortised cost.

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

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

**(d) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

**(e) Impairment**

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Institute on terms that the Institute would not consider otherwise indications that a debtor or issuer will enter bankruptcy or the disappearance of an active market for a security because of financial difficulties.

(ii) Non-financial assets

At each reporting date non financial assets are reviewed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

**(f) Revenue**

**Grant income**

Grants are recognised in the statement of financial position initially as deferred income when there is reasonable assurance that it will be received and that the Institute will comply with the conditions associated with the grant. It is then recognised in the profit or loss as grant income on a systematic basis as the Institute recognises expenses by achieving the relevant conditions of the grant.

Grants that relate to the acquisition of an asset are recognised in profit or loss as the asset is depreciated or amortised. The Institute chooses to present grant income on a gross method that is, recognising entire grant income and than offsetting against expenses.

**(g) Employee benefits**

Superannuation

Obligations for contributions to a defined contribution plan are recognised as an expense in profit or loss when they are due.

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

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

**(g) Employee benefits (continued)**

Employee entitlements

Liability for annual leave is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employee services up to that date.

Short-term benefits

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

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

**(h) Income tax**

The Institute is not subject to income tax.

**(i) Receivable from related parties**

The amounts receivable from related parties are recognised when there is a contractual receivable or a right to receive.

**4. Financial risk management**

The financial statements do not disclose information relating to the nature and extent of risks arising from financial instruments to which the Institute is exposed at year end, since credit risk, liquidity risk and market fluctuations are not material to the Institute.

**5. Standards Issued but not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

**6. Contributions and grants**

Contributions from stakeholders and grants that compensate the Institute for revenue and capital expenditure are recognised from deferred income as follows:

	2015	2014
	\$	\$
African Caribbean and Pacific Group of States (ACP)	-	-
Contribution from the Fiji Government	782,609	815,135
European Union	450,622	-
Fiji Sugar Corporation (FSC)	782,609	782,609
Sugar Cane Growers	782,609	782,609
	<u>2,798,449</u>	<u>2,380,353</u>

**7. Other income**

Sundry income	2,537	108,546
	<u>2,537</u>	<u>108,546</u>

**8. Cost of operations**

Advertising	3,176	4,105
Bank charges	2,764	5,928
Consultancy fees	41,209	-
Depreciation	307,033	339,681
Electricity	39,236	40,649
EU Cost	183,630	130,774
Communication expenses	20,910	15,861
Material costs	43,728	90,776
Motor vehicle running expenses	203,253	271,605
RAF costs	-	2,196
Repair and maintenance	13,953	14,376
Subcontract expenses	198,995	298,224
Travel	183,728	35,149
Wages and salaries (refer note 9 (b))	437,242	391,189
	<u>1,678,857</u>	<u>1,640,513</u>



**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

	2015 \$	2014 \$
<b>9 (a) Administrative expenses</b>		
Auditors remuneration - audit	1,241	4,423
- other services	8,202	7,000
Accommodation and meals	56,694	24,783
ACP cost	173,260	49,709
Bad debts	-	12,992
CEO security	444	-
Doubtful debts expense	782,609	-
Electricity	12,556	9,208
Fiji National Provident Fund contributions	171,222	77,204
General expenses	115,443	95,941
Hire of services	88,897	88,972
ICT consumables	13,064	15,477
ICT license	-	2,283
Insurance	47,180	14,251
Inventory write off	-	1,311
Legal fees	3,250	1,250
Medical expense	548	2,149
Media and publications	2,392	2,255
Freight	50,005	31,873
Postage	2,339	978
Rent	5,987	40,991
Repair and maintenance	24,252	1,838
Stationery	25,039	5,233
Staff expenses	6,099	-
Training	5,818	3,915
Training and Productivity Authority of Fiji	9,650	9,074
Travel	34,951	427
Tuition fees	13,441	-
OHS	7,965	-
Uniforms	11,738	-
Visa permit	-	2,608
Water	808	1,309
Wages and salaries (refer note 9 (b))	655,863	586,783
	<u>2,330,957</u>	<u>1,094,237</u>
<b>(b) Personnel expenses</b>		
Fiji National Provident Fund contributions	95,123	77,204
Training and Productivity Authority of Fiji	9,650	9,074
Key management compensation - short term benefits	87,432	124,427
Wages and salaries	1,081,772	853,545
Other staff related costs	17,837	-
	<u>1,291,814</u>	<u>1,064,250</u>

**10. Income tax**

In 2012 the Fiji Revenue and Customs Authority confirmed that the entity is not subject to income tax.

Sugar Research Institute of Fiji  
Notes to the financial statements  
For the year ended 31 December 2015

11. Property, plant and equipment

	Land & Building	Fixtures & fittings	Plant & equipment	Motor vehicles	Computers	Work in progress	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>							
Balance at 1 January 2014	2,490,147	43,932	1,504,667	1,138,474	254,522	178,226	5,609,968
Acquisitions	140,759	-	320,674	65,435	56,923	-	583,791
Transferred during the year	178,226	-	-	-	-	(178,226)	-
Balance as at 31 December 2014	2,809,132	43,932	1,825,341	1,203,909	311,445	-	6,193,759
Acquisitions	-	-	74,646	-	19,230	22,722	116,598
Transferred during the year	-	-	(15,556)	-	-	-	(15,556)
Balance as at 31 December 2014	2,809,132	43,932	1,884,431	1,203,909	330,675	22,722	6,294,801
<b>Depreciation</b>							
Balance at 1 January 2014	73,083	19,375	436,396	870,755	229,162	-	1,628,771
Depreciation charge	28,707	4,393	160,830	124,138	21,613	-	339,681
Balance at 31 December 2014	101,790	23,768	597,226	994,893	250,775	-	1,968,452
Depreciation charge	31,365	4,393	181,588	74,489	15,198	-	307,033
Balance at 31 December 2014	133,155	28,161	778,814	1,069,382	265,973	-	2,275,484
<b>Carrying amount</b>							
At 1 January 2014	2,417,064	24,557	1,068,271	267,719	25,360	178,226	3,981,197
At 31 December 2014	2,707,342	20,164	1,228,115	209,016	60,670	-	4,225,307
At 31 December 2015	2,675,977	15,771	1,105,617	134,527	64,702	22,722	4,019,316

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

	2015	2014
	\$	\$
<b>12. Cash and cash equivalents</b>		
Cash at bank	4,000,885	2,674,097
Cash on hand	10	10
Cash and cash equivalents in the statement of financial position	<u>4,000,895</u>	<u>2,674,107</u>
Bank overdraft	-	(16,836)
Cash and cash equivalents in the statement of cash flows	<u><u>4,000,895</u></u>	<u><u>2,657,271</u></u>
<b>13. Receivables and prepayments</b>		
Staff loan	20,658	-
Prepayments	133,696	-
Deposits	<u>2,750</u>	<u>2,750</u>
	<u><u>157,104</u></u>	<u><u>2,750</u></u>
<b>14. Deferred income</b>		
The Institute's Deferred income comprises of the receipt of grant income from stakeholders, European Union, African Caribbean and Pacific Group of States, Mauritius Sugar Research Institute and Fiji Sugar Tribunal. Each grant received has its specific conditions that the Institute needs to comply with. The movement in Deferred income is as follows:		
	2015	2014
	\$	\$
Balance at the beginning of the year	10,083,526	7,840,186
Funds received or receivable during the period	4,366,973	4,978,090
Utilised during the period	<u>(4,001,959)</u>	<u>(2,734,750)</u>
Balance at 31 December	<u><u>10,448,540</u></u>	<u><u>10,083,526</u></u>
This is comprised as follows:		
Contribution from stakeholders	4,598,172	4,174,540
European Union grant	4,425,346	4,943,375
African Caribbean and Pacific Group of States (ACP)	1,162,670	873,006
Mauritius Sugar Research Institute (MISRI)	81,095	125,130
Fiji Sugar Tribunal	<u>181,257</u>	<u>-</u>
	<u><u>10,448,540</u></u>	<u><u>10,116,051</u></u>
<b>15. Employee benefits</b>		
Balance at 1 January	45,933	45,933
Provision during the year	-	-
Provision utilised during the year	-	-
Balance at 31 December	<u><u>45,933</u></u>	<u><u>45,933</u></u>

**Sugar Research Institute of Fiji**  
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**16. Trade and other payables**

	2015	2014
	\$	\$
Trade payables	51,806	78,480
Other payables	54,175	66,908
VAT payable	541,323	281,073
	<u>647,304</u>	<u>426,461</u>

**17. Related parties**

Related parties of the Institute include key stakeholders in the Fiji Sugar Industry, namely, the Government of Fiji, Fiji Sugar Corporation, South Pacific Fertilizers Limited, Sugar Cane Growers.

Transactions with these parties and outstanding balances at year end are disclosed below.

**(a) Board members**

The Institute did not have a Board present for the period 30 September 2012 to 4 May 2014. An interim board was appointed by the Ministry of Sugar on 4 May 2014 and the Board details were as follows:

Mr Abdul Khan (appointed on 4 May 2014)  
Mr Manasa Tagicakibau (appointed on 4 May 2014)  
Mr Sundresh Chetty (appointed on 4 May 2014)

The new Board was appointed on 1 March 2015. The Directors in office and up to the date of this report are:

Professor Rajesh Chandra - Chairman (appointed 1 March 2015)  
Mr Abdul Khan (appointed on 1 March 2015)  
Mr Daniel Elisha (appointed 1 March 2015)  
Mr Manasa Tagicakibau (appointed on 1 March 2015 and resigned on 18 July 2017)  
Professor Paras Nath (appointed 1 March 2015)  
Mr Sundresh Chetty (appointed on 1 March 2015)  
Dr K. Shanmudha Sundaram (appointed 1 March 2015)  
Mr Graham Clark (appointed 18 July 2017)  
Ms Reshmi Kumari (appointed 18 July 2017)

	2015	2014
	\$	\$
<b>(b) Amounts receivable from related parties</b>		
Fiji Sugar Corporation	3,424,999	4,124,999
Sugar Cane Growers	2,700,000	1,800,000
Allowance for uncollectability - Sugar Cane Growers	(900,000)	-
	<u>5,224,999</u>	<u>5,924,999</u>
<u>Reconciliation of allowance for uncollectability</u>		
Balance at the beginning of the month	-	-
Provision created during the year (VIP)	900,000	-
Balance at the end of the year	<u>900,000</u>	<u>-</u>

Receivables from related parties are interest free and receivable as and when required.

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2015**

**17. Related parties (continued)**

	2015	2014
	\$	\$
<b>(c) Amounts payable to related parties</b>		
Fiji Sugar Corporation	2,260,537	2,254,407
	<u>2,260,537</u>	<u>2,254,407</u>

Payable to related parties are interest free and payable on demand.

**(d) Transactions with related parties**

Revenue

Grant income - Fiji Sugar Corporation	782,609	782,609
Grant income - Fiji Government	782,609	815,135
Grant income - Sugar Cane Growers	782,609	782,609
Estate income - Fiji Sugar Corporation	224,412	226,279
	<u>2,572,239</u>	<u>2,606,632</u>

Impairment loss

Sugar Cane Growers	782,609	-
	<u>782,609</u>	<u>-</u>

**(e) Key management personnel**

Key management personnel include the chief executive officer and finance and administration manager of the Institute.

Transactions with key management personnel are no favourable than those available, or which might be reasonably be expected to be available, on similar transactions to third parties on an arm's length.

Key management personnel compensation is comprised as below:

	2015	2014
	\$	\$
Short-term employee benefits	87,432	124,427
	<u>87,432</u>	<u>124,427</u>

**18. Capital commitments and contingencies**

Capital commitments and contingent liabilities as at 31 December 2015 amounted to \$Nil (2014: \$Nil).

**19. Events subsequent to balance date**

There is a draft Sugar Industry Bill before the parliament that is proposing major changes in the functioning of Sugar Research Industry of Fiji and until this bill is passed, the Board cannot give assurance about the future of Sugar Research Institute of Fiji in its present form.

Apart from the above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Institute, the results of those operations or the state of affairs of the Institute in subsequent financial years.