

**Sugar Reseach Institute of Fiji**

**Financial Statements**

**For the year ended 31 December 2012**

**Sugar Reseachr Institute of Fiji**

**Contents**

Directors report	1 - 2
Independent auditor's report	3 - 4
Statements of profit or loss and other comprehensive income	5
Statements of financial position	6
Statements of cash flow	7
Notes to the financial statements	8 - 18

## **Sugar Research Institute of Fiji**

### **Directors' 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 2012 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 Directors in office during the year and at the date of this report are:

	Date of end term	Date appointed
Dr John Morrison - Chairman	30/09/2012	
Sundresh Chetty	30/09/2012	
Viliame Gucake	30/09/2012	
Dr. Krishnamurthi	30/09/2012	
Suresh Patel	30/09/2012	
Mangaiya Reddy	30/09/2012	
Seru Vularika	30/09/2012	
Professor Rajesh Chandra - Chairman		13/02/2015
Dr K.S Shanmugha Sundaram		13/02/2015
Professor Paras Nath		13/02/2015
Mr Daniel Elisha		13/02/2015
Mr Abdul Khan		13/02/2015
Mr Sundresh Chetty		13/02/2015
Mr Manasa Tagicakibau		13/02/2015

The Institute did not have a Board present from the period 30/09/2012 to 04/05/2014.

The current Chairman and members of the Board were not responsible for the affairs of the Institute in 2012. Only one member of the Board continued from the 2012 Board to the current Board. The Board has taken all necessary steps to have the accounts prepared properly with external input and has ensured that the external auditors have had 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 2012, 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 2012 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.

### **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 Directors believe that the basis of preparation of accounts is appropriate and the Institute will be able to continue in operation for at least 12 months from the date of this statement.

### **Events subsequent to balance date**

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 28th day of April 2017.

Signed in accordance with a resolution of the Board.

  
Chairman

  
Board Member





Honourable 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 2012, the statement of 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.

### **Basis of qualification**

#### *VAT payable*

The financial statements show an amount of VAT payable to the Fiji Government of \$341,558. 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.



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

**Qualified Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Sugar Research Institute of Fiji as at 31 December 2012 and of its financial performance, its changes in equity 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.

28th April, 2013  
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 2012**

	<b>Note</b>	<b>2012</b> \$	<b>2011</b> \$
Contributions and grants	5	2,473,084	899,948
Estate income		1,016,461	825,001
Other income		<u>-</u>	<u>966,375</u>
<b>Total income</b>		3,489,545	2,691,324
Cost of operations	6	(1,552,346)	(1,479,074)
Administrative expenses	7	<u>(1,945,588)</u>	<u>(1,261,810)</u>
<b>Deficit from operations</b>		(8,389)	(49,560)
Finance income	9	<u>8,389</u>	<u>-</u>
<b>Deficit before tax</b>		-	(49,560)
Income tax benefit	10	<u>-</u>	<u>49,560</u>
<b>Deficit for the year</b>		<u>-</u>	<u>-</u>

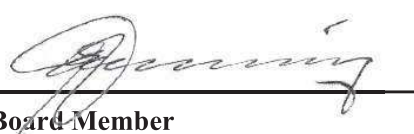
The notes on pages 8 to 14 are an integral part of these financial statements.

**Sugar Research Institute of Fiji**  
**Statement of financial position**  
**As at 31 December 2012**

	<b>Note</b>	<b>2012</b> \$	<b>2011</b> \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	3,209,184	1,691,827
Inventories		1,311	1,311
Receivables and prepayments	13	19,991	13,292
Receivable from related parties	17(b)	4,813,861	5,495,366
<b>Total current assets</b>		<u>8,044,347</u>	<u>7,201,796</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	<u>3,751,725</u>	<u>3,270,397</u>
<b>Total non-current assets</b>		<u>3,751,725</u>	<u>3,270,397</u>
<b>Total assets</b>		<u>11,796,072</u>	<u>10,472,193</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Deferred income	14	7,708,571	6,435,861
Payable to related parties	17(c)	3,595,739	3,595,739
Employee benefits	15	43,023	36,831
Trade and other payables	16	448,739	403,762
<b>Total current liabilities</b>		<u>11,796,072</u>	<u>10,472,193</u>
<b>Total liabilities</b>		<u>11,796,072</u>	<u>10,472,193</u>

Signed for and on behalf of the Board of Directors.

  
**Chairman**

  
**Board Member**

The notes on pages 8 to 14 are an integral part of these financial statements.

**Sugar Research Institute of Fiji**  
**Statement of cash flows**  
**For the year ended 31 December 2012**

	<b>Note</b>	<b>2012</b> \$	<b>2011</b> \$
<b>Cash flows from operating activities</b>			
Receipts from stakeholders and donors		5,437,067	4,226,087
Payment to suppliers and employees		(3,132,312)	(2,707,020)
Interest received		8,389	-
<b>Net cash from operating activities</b>		<u>2,313,144</u>	<u>1,519,067</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		<u>(795,787)</u>	<u>(554,869)</u>
<b>Net cash used in investing activities</b>		<u>(795,787)</u>	<u>(554,869)</u>
Net increase in cash and cash equivalents		1,517,357	964,198
Cash and cash equivalents at 1 January		<u>1,691,827</u>	<u>727,629</u>
Cash and cash equivalents at 31 December	12	<u>3,209,184</u>	<u>1,691,827</u>

The notes on pages 8 to 14 are an integral part of these financial statements.



# **Sugar Research Institute of Fiji**

## **Notes to the financial statements**

### **For the year ended 31 December 2012**

#### **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 the 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 28th April, 2017.

##### **(b) Basis of measurement**

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

##### **(c) Functional and presentation currency**

The financial statements are presented in Fijian dollars, which is the Institute's functional currency. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

##### **(d) 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.

#### **3. Significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below.

##### **(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.

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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

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

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost 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 cost 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:

Buildings 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.

**(c) Financial instruments**

(i) Non-derivative financial assets

The Institute initially recognises loans and receivables on the date that they are originated. 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.

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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

**(c) Financial instruments (continued)**

(i) Non-derivative financial assets (continued)

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.

Loans and receivables

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

Loans and receivables comprise receivables from related parties, other receivables and cash and cash equivalents.

Cash and cash equivalents

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

(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-derivative 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.

**(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.



**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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

**(e) Impairment**

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss are 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 related expenses are incurred.

**(g) Employee benefits**

Superannuation

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

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 benefits obligations are measured on an undiscounted basis and are expensed in 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 service provided by the employee and the obligation can be measured reliably.

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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

**(h) Income tax**

The Institute is not subject to income tax.

**(i) Receivable from related parties**

The amount 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 risk are not material to the Institute.

	<b>2012</b>	<b>2011</b>
	\$	\$
<b>5. Contributions and grants</b>		
Contributions from stakeholders and grants that compensate the Institute for revenue and capital expenditure are recognised from deferred income as follows:		
African Caribbean and Pacific Group of States (ACP)	92,072	12,942
Contribution from the Fiji Government	520,972	258,812
European Union	219,085	71,435
Fiji Sugar Corporation (FSC)	1,130,104	249,318
Sugar Cane Growers	507,204	247,801
Mauritius Sugar Research Institue (MISRI)	3,647	59,640
	<u>2,473,084</u>	<u>899,948</u>

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

	2012	2011
	\$	\$
<b>6. Cost of operations</b>		
Advertising	4,699	-
Accounting	7,000	-
Bank charges	4,386	4,809
Depreciation	314,459	288,140
Electricity	43,189	13,704
EU cost	45,580	10,285
General supplies	907	2,937
Communciation expenses	15,048	11,004
Material costs	53,404	94,138
Motor vechicle running expenses	239,310	177,194
Overhead expenses	1,746	820
Postage	674	21
RAF costs	12,818	9,626
Rent	-	3,300
Repairs and maintenances	13,346	24,498
Subcontract expenses	377,423	544,919
Travel	47,800	10,065
Wages and salaries (refer to note 8)	370,557	283,614
	<u>1,552,346</u>	<u>1,479,074</u>
<b>7. Administrative expenses</b>		
Auditors remuneration - audit	8,085	7,200
- other services	19,988	8,878
Accommodation and meals	16,871	29,008
ACP cost	92,072	11,127
Board fees	61,743	35,875
CEO donation	-	1,250
CEO security	9,355	4,680
Consultanties	-	41,092
Electricity	9,836	13,681
Fees- Science Audit Committee	-	1,650
Fiji National Provident Fund contributions	68,401	48,489
FSC costs	621,004	562,102
General expenses	71,937	2,249
Hire of services	248,565	16,263
ICT consumables	7,690	4,979
ICT license	9,125	14,879
Communication expenses	7,798	17,740
Balance carried forward	<u>1,252,470</u>	<u>821,142</u>

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>7. Administrative expenses (continued)</b>		
Balance brought forward	1,252,470	821,142
Industrial relations expense	-	410
Insurance	46,642	37,326
Legal fees	-	3,742
Medical expense	4,557	18,032
Media and publication	5,254	4,950
MISRI Cost	3,647	54,794
Freight	25,386	28,831
Rent	45,946	28,793
Repairs and maintenance	3,911	5,780
Stationery	6,532	6,724
Subscriptions	650	3,485
Training	7,821	2,451
Training and Productivity Authority of Fiji	8,550	4,647
Travel	13,343	41,341
Tuition fees	5,677	3,808
Visa permit	3,246	1,080
Water	3,388	9,362
Wages and salaries (refer to note 8)	508,568	185,112
	<u>1,945,588</u>	<u>1,261,810</u>
<b>8. Personnel expenses</b>		
Fiji National Provident Fund contributions	68,401	48,489
Training and Productivity Authority of Fiji	8,550	4,647
Key management compensation - short term benefits	145,589	143,449
Wages and salaries	733,536	325,277
	<u>956,076</u>	<u>521,862</u>
The average number of staff during the year was 71 (2011: 70).		
<b>9. Finance income</b>		
Interest received	<u>8,389</u>	<u>-</u>

- 10.** In 2012 the Fiji Revenue and Customs Authority confirmed that the entity is not subject to income tax and the 2010 income tax expense was reversed in 2011.

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

**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 2011	-	43,932	709,351	1,051,735	243,157	1,647,398	3,695,573
Acquisitions	-	-	137,848	-	-	417,021	554,869
Transferred during the year	1,449,244	-	-	-	-	(1,449,244)	-
Balance as at 31 December 2011	1,449,244	43,932	847,199	1,051,735	243,157	615,175	4,250,442
Acquisitions	238,031	-	417,839	-	-	139,917	795,787
Transferred during the year	615,175	-	-	-	-	(615,175)	-
Balance as at 31 December 2012	2,302,450	43,932	1,265,038	1,051,735	243,157	139,917	5,046,229
<b>Depreciation</b>							
Balance at 1 January 2011	-	6,195	129,994	443,495	112,221	-	691,905
Depreciation charge	21,916	4,394	70,779	142,422	48,629	-	288,140
Balance at 31 December 2011	21,916	10,589	200,773	585,917	160,850	-	980,045
Depreciation charge	23,807	4,393	97,960	142,419	45,880	-	314,459
Balance at 31 December 2012	45,723	14,982	298,733	728,336	206,730	-	1,294,504
<b>Carrying amount</b>							
At 31 December 2010	-	37,737	579,357	608,240	130,936	1,647,398	3,003,668
At 31 December 2011	1,427,328	33,343	646,426	465,818	82,307	615,175	3,270,397
At 31 December 2012	2,256,727	28,950	966,305	323,399	36,427	139,917	3,751,725

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

	<b>2012</b>	<b>2011</b>
	\$	\$
<b>12. Cash and cash equivalents</b>		
Cash at bank	3,209,145	1,691,504
Cash on hand	39	323
Cash and cash equivalents in the statement of cash flows	<u>3,209,184</u>	<u>1,691,827</u>
<b>13. Receivables and prepayments</b>		
Other receivables	12,992	12,992
Prepayments	6,999	300
	<u>19,991</u>	<u>13,292</u>
<b>14. Deferred income</b>		
Balance at the beginning of the year	6,435,861	3,736,273
Funds received or receivable during the period	3,745,795	3,599,536
Utilised during the period	(2,473,085)	(899,948)
Balance at 31 December	<u>7,708,571</u>	<u>6,435,861</u>
This is comprised as follows:		
Contribution from stakeholders	4,301,027	4,218,463
European Union grant	2,505,127	1,219,262
African Caribbean and Pacific Group of States (ACP)	780,934	873,006
Mauritius Sugar Research Instititue (MISRI)	121,483	125,130
	<u>7,708,571</u>	<u>6,435,861</u>
<b>15. Employee benefits</b>		
Balance at 1 January	36,831	33,060
Provision during the year	23,424	22,738
Provision utilised during the year	(17,232)	(18,967)
Balance at 31 December	<u>43,023</u>	<u>36,831</u>
<b>16. Trade and other payables</b>		
Trade payables	47,103	67,334
Other payables	60,078	48,529
VAT payable	341,558	287,899
	<u>448,739</u>	<u>403,762</u>

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

**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 Fund and Sugar Cane Growers Council.

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

**(a) Board members**

The following are the Board members of the Institute during the financial year:

	Date of end term	Date appointed
Dr John Morrison - Chairman	30/09/2012	
Sundresh Chetty	30/09/2012	
Viliame Gucake	30/09/2012	
Dr. Krishnamurthi	30/09/2012	
Suresh Patel	30/09/2012	
Mangaiya Reddy	30/09/2012	
Seru Vularika	30/09/2012	
Professor Rajesh Chandra - Chairman		13/02/2015
Dr K.S Shanmugha Sundaram		13/02/2015
Professor Paras Nath		13/02/2015
Mr Daniel Elisha		13/02/2015
Mr Abdul Khan		13/02/2015
Mr Sundresh Chetty		13/02/2015
Mr Manasa Tagicakibau		13/02/2015

The Institute did not have a Board present from the period 30/09/2012 to 04/05/2014.

Board members emoluments and board expenses are disclosed under Note 7.

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>(b) Receivable from related parties</b>		
Fiji Sugar Corporation	3,913,861	4,145,366
Sugar Cane Growers	900,000	1,350,000
	<u>4,813,861</u>	<u>5,495,366</u>

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

**(c) Payable to related parties**

Fiji Sugar Corporation	3,595,739	3,595,739
	<u>3,595,739</u>	<u>3,595,739</u>

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

**Sugar Research Institute of Fiji**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

	2012 \$	2011 \$
<b>17. Related parties (continued)</b>		
<b>(d) Transactions with related parties</b>		
<u>Revenue</u>		
Grant income - Fiji Sugar Corporation	1,130,104	249,318
Grant income - Fiji Government	520,972	258,812
Grant income - Sugar Cane Growers	507,204	247,801
Estate income - Fiji Sugar Corporation	1,016,461	825,001
	<u>3,174,741</u>	<u>1,580,932</u>
<u>Expenses</u>		
Fiji Sugar Corporation costs - expense paid on behalf of SRIF	<u>621,004</u>	<u>562,102</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 compensation is disclosed under Note 8.

**18. Capital commitments and contingencies**

Capital commitments and contingent liabilities as at 31 December 2012 amounted to \$Nil (2011: \$Nil).

**19. Events subsequent to balance date**

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.