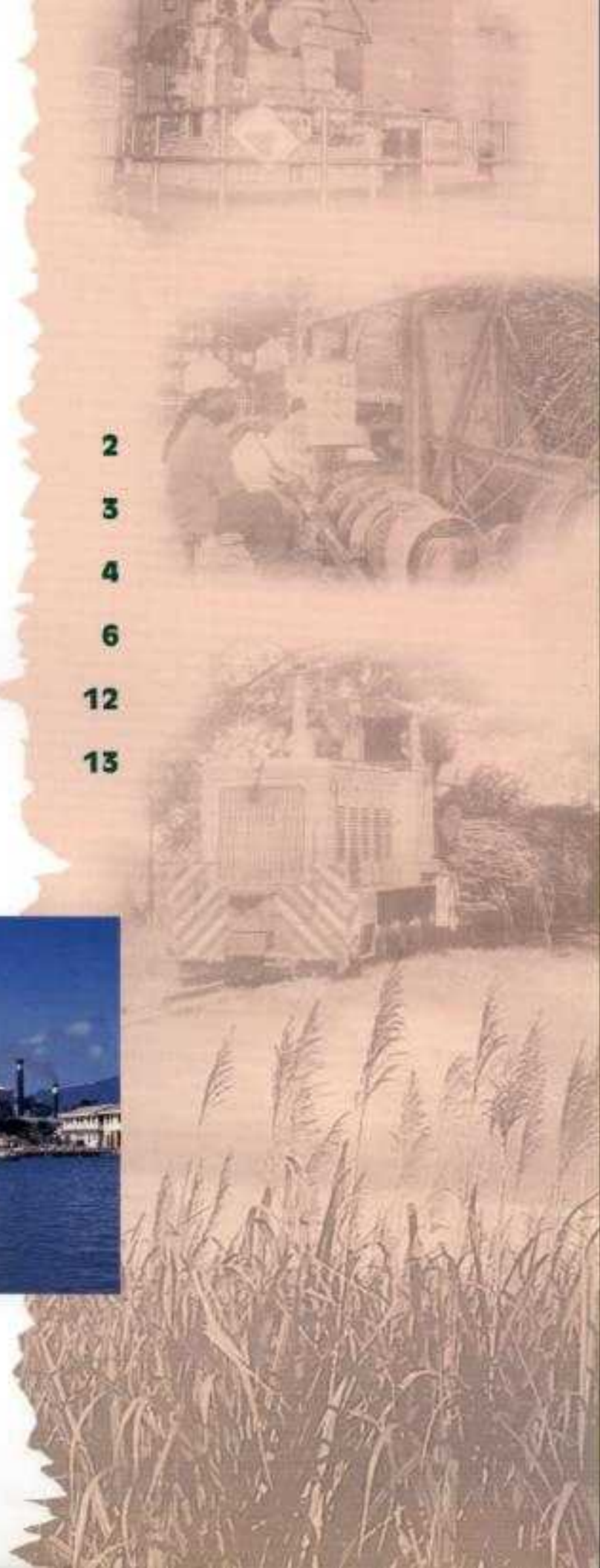


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## Mission Statement



# "Leading the Change to a Globally Competitive Sugar Industry"



### CORPORATE IDEALS

To be an outstanding corporate citizen, dedicated to make cane sugar at ever improving efficiencies, by:

#### In the Field

Helping to facilitate the planting, fertilizing, growing and harvesting of the best regional cane varieties at the right time and in the right way.

#### In Transport

Scheduling the continuous flow of cane from field to factory on time and maintaining and operating a competitive rail transport system.

#### In the Factory

Milling and processing at optimum recovery and capacity, and with minimal stops, to produce the best quality of sugar.

#### In the Workplace

Rewarding performance, nurturing teamwork and innovation, and investing in the health, safety and personal development of employees.

#### In the Community

Being as concerned with the welfare of cane growers as we are with our own fate, and showing we value our suppliers and stakeholders.

#### In the Environment

Respecting our rivers and seas, the air and soil, plants and animals, forever mindful to sustain the Earth, Fiji's natural resources and people.

#### In the Marketplace

Storing, shipping and marketing our products at maximum revenues to the full satisfaction of our long term customers, and new markets.

#### In Commercial Practice

Conducting our business with integrity, responding to national goals and seeking a wise return on investment for our shareholders.

#### In Word and Deed

Freely communicating the great value of our products and activities without reservation to anyone who may benefit from understanding this.



## Company Profile



Lautoka Mill



Rarawai Mill



Lobasa Mill



Penang Mill

The Fiji Sugar Corporation Limited, was incorporated in Fiji by an Act of Parliament in 1972 and commenced operations from the 1st of April 1973. The shareholders of the Corporation include the Government of Fiji, statutory bodies, local public companies and individuals. The company's shares are listed and traded on the South Pacific Stock Exchange Limited. The Corporation is the largest private sector employer with a workforce exceeding 2900 individuals during the height of the crushing season.

The Corporation owns and operates four sugar mills in Fiji, three sugar mills on Viti Levu and one on Vanua Levu that manufacture raw sugar. In addition, the Corporation owns and maintains some 730 kilometres of railway network on which sugarcane is transported to its mills. The Corporation, on behalf of the industry, manages the Sugar Cane Research Centre, and is responsible for the storage, marketing, delivery, and sale of raw sugar and molasses to customers in Fiji, the Pacific and the rest of the world. Raw sugar currently accounts for about 30% of Fiji's total merchandise exports.

The Corporation through its subsidiaries and related companies, is also engaged in the procurement of material and machinery (FSC Services Pty Ltd - Australia), special development and project work (FSC Projects Ltd), the blending and sale of fertiliser (South Pacific Fertilisers Ltd), and agricultural chemicals (Agchem Ltd).



## Board of Directors

### Hafizud Dean Khan

(Director since  
August 1994)

Mr Khan was previously a commercial/corporate banker, having served in the South Pacific, Asia and North America with international banks. He commenced his own practice as a financial/business consultant in 1989 and diversified into property development in 1984.

He is currently the Managing Director of the Hexagon Group that owns and operates a number of hotels, motels and serviced apartments. Mr Khan was Deputy Chairman of the Fiji Electricity Authority and has also served in the past as a Director of the Fiji Development Bank, Chief Administrator of the Nausori Town Council, and on other Government and private sector authorities and boards.

### Jonetani K Galuinadi

B.Sc. (New England)  
(Managing Director)

Mr Galuinadi who retired on 31 March, 2001 has been the Managing Director of The Fiji Sugar Corporation Ltd. since 1990. He joined South Pacific Sugar Mills Limited in 1970 at the Sugar Cane Research Centre and assisted in the localisation program when the CSR sold its interest in SPSM. He worked in the personnel department rising to Chief Staff Officer. From 1978, Mr Galuinadi served as General Manager in the Penang, Labasa and Rarawai Mills. In addition to his post at the helm of the Corporation, he served on the boards of the Reserve Bank of Fiji, the Fiji Sugar Marketing Co Ltd, South Pacific Fertilizers Ltd as well as Tropic Woods Industries Ltd. Mr Galuinadi was a member of the Sugar Commission of Fiji. He was also a member of the Public Service Commission until February 1999.

### Solomone Sila Kotobalavu

Permanent  
Secretary for  
Finance  
(Director since  
January 2001)

Permanent Secretary for Finance effective from 1 December 2000. Previously Permanent Secretary for National Planning and was Deputy Secretary for Finance from 1997 to 2000. Former Executive Director's Assistance in the World Bank, Chairman of the Fiji Islands and Customs Authority Board (FIRCA), and serves as a Director on the Boards of the Fiji Electricity Authority and Fiji Visitor's Bureau. Mr Kotobalavu is currently leading government's effort in reforming its financial management information system through the Ministry of Finance's Financial Management Reform Project. He has spent just over 20 years in the Public Service, 19 of which have been spent in the Civil Service.

### Kelera Tukituku

(Director since  
August 2000)

Mrs Tukituku is a retired School Teacher and is currently a member of the National Diabetes Board. She was appointed to the Board of the Corporation in 2000. She has been a Board member of Rewa Rice Ltd in 1997 and has also served as a Board member of the Fiji National Council of Women and YWCA (Fiji) for several years in the past. She was also Chairperson of Scripture Union Fiji from 1997 to 1999 and Regional Executive of Scripture Union (Australia, NZ and Pacific) from 1995 to 1998.



**George Tavanavanua**

**(Director since August 2000)**

Mr Tavanavanua is a Chartered Professional Engineer by profession graduating from the University of New South Wales as a Civil Engineer in 1969. He has had over 20 years experience in the Oil Industry, both Regionally and Internationally, and wide experience in commerce, the construction industry, tourism and horticulture.

He is the Managing Director of Elixir Limited and Plant World Limited, businesses he has been instrumental in setting up from scratch in the last twelve years. He has also served on the Boards of numerous companies and statutory organisations over the last 30 years including Fijien Holdings and subsidiaries.

**Kirit Prahudas Patel**

**B.Com. (NSW),  
ACA (Aust), C.A.  
(Fiji) C.P.A. (Aust)  
(Director since July 1998)**

Mr Patel, a chartered accountant, is Company Secretary and Director Finance & Strategic Planning with the Motibhai Group. Prior to joining the Motibhai Group in 1980, he worked for Coopers & Lybrand in Sydney for four years. He is a member of the Institute of Chartered Accountants in Australia, the Australian Society of Accountants and the Fiji Institute of Accountants. Mr Patel is a Past Vice-President of the Be Chamber of Commerce and Past President of the Rotary Club of Be.

**Vipul M Mishra**

**LLB  
(Director since July 1999)**

Mr Mishra is a barrister and solicitor by profession and is one of the two partners of Mishra Prakash & Associates, which has offices at Be, Lautoka and Suva. He is a Past Vice President of the Fiji Law Society and acted as President in the absence of the President on a few occasions. He was on the council for several years. Mr Mishra represented the Fiji Law Society as counsel to the Beattie Commission of Inquiry into the Judiciary and Court System covering Fiji including Leu and Lomalivi Group. He has served on several committees of the Law Society and has been a member of the International Bar Association and LAWASIA.

He is currently a member of the Law Society Council Committee, which looks into legislation or bills to be passed and a member of its disciplinary panel.

**Sylvia Joe**

**(Director since January 2001)**

Sylvia Joe is a Company Director for Joes Farm Produce Ltd. She has served on the boards of Mega Power Fiji Ltd (FEA Distribution Company), FASANOC and Fiji Sport Council in the past. She joined the board of the Corporation in January 2001. Mrs Joe is also a well known sports personality and holds a very distinguished record as a golfer.





## Directors' Report

The Directors of the Fiji Sugar Corporation Limited wish to present to shareholders the Annual Report of the Corporation for the financial year ended 31st March 2001, incorporating the results for the 2000 season. The financial statements have been prepared on the basis that the company will continue operating with the support of all stakeholders in the sugar industry, including periodic financial guarantees and related support from the Government of the Fiji Islands.

The company is taking active steps to restructure its operations in co-operation with the sugar industry stakeholders. At this stage the Directors are confident that the Corporation will receive the necessary support it needs to ensure its future viability. There have been no changes in the nature of the Corporation's business, or in the Corporation's

subsidiaries, or in the classes of business in which the company has an interest, whether as a member of another company or otherwise.

### FINANCIAL RESULTS

The Corporation recorded a net operating loss before tax of \$20.9 million for the year. The major reason for this was a decline in proceeds and additional costs attributable to the delayed harvesting at the four mills due to the political events of May 19, 2000. The delays resulted in poor sugar yield and an overall decline in sugar production.

In its efforts to reduce the cost of production, the Corporation has embarked on a manpower rationalisation programme. The financial result includes a \$5.6 million provision for the rationalisation

programme and \$3 million as final settlement in relation to the Wages Regulation (Manufacturing Industry) Order 1993.

### DIVIDEND

In view of the financial results for the year, and taking into consideration other relevant factors, your Directors have decided not to recommend a dividend payment for the year.

### FIXED ASSETS, DEPRECIATION AND CAPITAL EXPENDITURE

The fixed assets of the Corporation, including works in progress, have been included in the financial statements at cost and Directors' valuation, and stand at \$378.1 million, a net increase of \$1.2 million from the previous year. The written-down value of fixed assets at the end of the financial year was \$200.5 million, compared to \$209 million at the end of the previous year. Details of fixed assets are outlined in Note 6 of the Notes to and forming part of the Financial Statements.

The Corporation approved \$8 million worth of capital investments during the financial year. These investments were part of our efforts to stay in business by improving the productivity and efficiency of the mills, tramlines and rolling stocks.

Cane Quality - POCS (%)



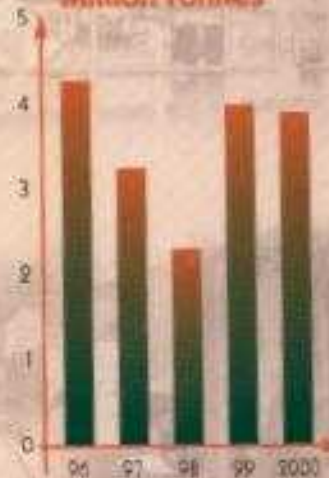




the season which finished at Lautoka on 30 January, 2001. The Labasa Mill was the first to cease crushing on 12 December, 2001, followed by Penang on 10 January, 2001 and Rarawai on 29 January, 2001. On average the mills operated for about 30 weeks.

A total of 340,972 tonnes of raw sugar and 164,159 tonnes of molasses were produced from 3,786,373 tonnes of cane.

**Cane Crushed  
Million Tonnes**



The future capital programme includes mill automation and the upgrading of plant and machinery at the Rarawai and Labasa mills. This depends on the availability of funds.

#### CAPITAL AND RESERVES

The Corporation's reserves stand at \$135.4 million, comprising Capital Profits Reserve of \$2.4 million and Revenue Reserves of \$133 million.

#### CANE PRODUCTION

Cane production totalled 3.79 million tonnes from an area of 66,941 hectares. The average yield of 56.6 tonnes cane per hectare was about 8 per cent lower than the 61.3 tonnes per hectare produced in 1999.

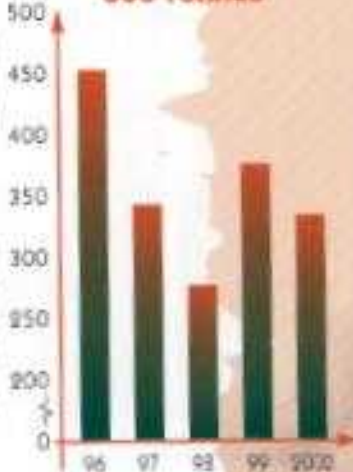
About 340,000 tonnes of cane

remained unharvested at the end of the crushing season. This is due mainly to the delay in the start of the season and above average rainfall towards the end of the season.

#### OPERATIONS

The crushing season was to start in May but finally started in late June due to the political events of that month. The late start and the wet weather during the year prolonged

**Sugar Made  
'000 Tonnes**



The tonnes of cane required to produce one tonne of sugar (TCTS Ratio) averaged 11.1 - the highest on record. This compares to 10.5 recorded in 1999. This increase is due mainly to the poor quality of cane.

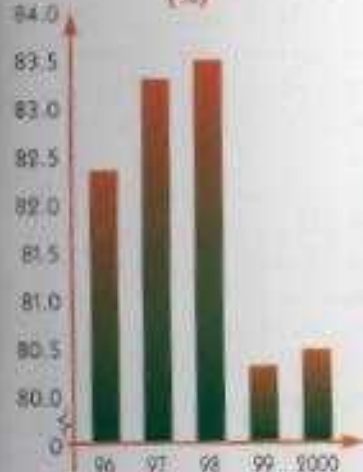
Cane sweetness (POCS - Pure Obtainable Cane Sugar) averaged 9.96 per cent - the lowest result on record. Cane purity averaged 80.5 per cent, again one of the lowest results on record. The incessant wet weather and the high level of burnt cane (about 50.4 per cent of all cane) affected cane quality. Burnt cane was around 30.7 per cent the previous year. Burnt cane also led to processing difficulties, extra operating costs and badly affected sugar recovery and quality.

#### SUGAR QUALITY

The large quantity of burnt cane in the latter part of the season is affecting sugar quality and is of grave concern. Buyers of Fiji sugar have complained strongly about the dextran levels and colour of our sugar. Our customers have made it clear that they will not accept low quality sugar.

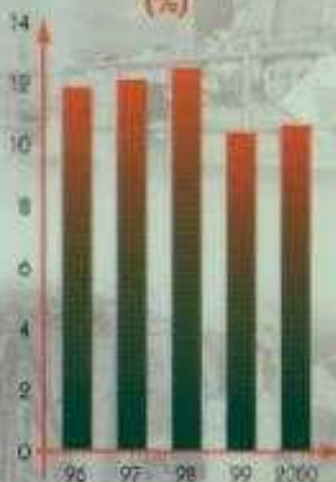
The Corporation, with all stakeholders, has embarked on a grower education programme about the effects of burnt cane on the

**Cane Quality - Purity (%)**





### Cane Quality - Fibre (%)



industry, but the reality has obviously not hit home. This cannot be ignored any longer and has to be tackled by the whole industry to ensure our viability.

### TRANSPORT

Cane transported by rail comprised 50 per cent of total cane crushed by the four mills. Emphasis is being placed on locomotive scheduling and cane truck turnaround times to improve efficiency. The locomotive fleet is performing satisfactorily despite their age and a scarcity of spare parts.

Cane truck design is continually improved to minimise breakdowns, reduce maintenance and improve use of trucks. During the slack season, maintenance was also done on tramline sections where frequent derailments occurred.

### COGENERATION

Negotiations with the Fiji Electricity Authority and a foreign strategic partner to install a cogeneration plant at Rarawai continued. However, a critical review of the scheme by the Corporation and the Authority concluded that it should be re-evaluated. The Corporation is now considering how best to secure power and steam for Rarawai, including the possibility of an appropriately sized cogeneration plant.

During the crushing season, Lautoka Mill supplied 14.38 GWh of energy to FEA compared to 20.29 GWh in 1999 while Labasa Mill produced 8.35 GWh compared to 4.66 GWh in 1999.

### SUGARCANE RESEARCH CENTRE

About 180 growers have planted the early maturing and high sugar



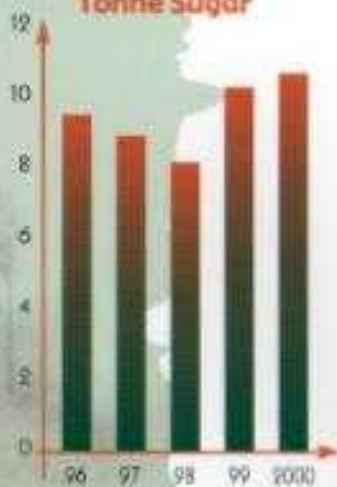
yielding variety, Naidiri. Feedback about this fastest germinating variety has been encouraging.

### HUMAN RESOURCES

Manpower levels have been reduced from 3100 to about 2900 through the Voluntary Separation Scheme and natural attrition. Reductions from outsourcing have not yet eventuated as a review of tenders showed that certain functions could be performed better internally while other tenders did not reveal the desired benefits.

But the need to reduce the workforce is critical and as of today, a further 200 have been released. Any opportunity to merge and automate operations is also being re-evaluated with a view to achieving a productive and cost-efficient workforce.

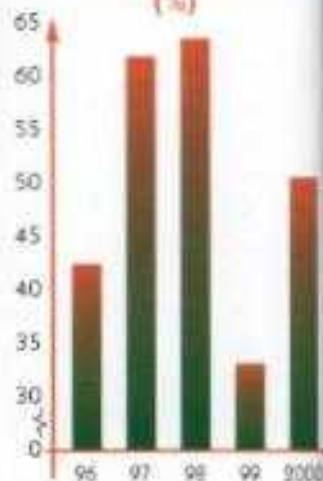
### Tonne Cane/ Tonne Sugar



### TRAINING

The Training Department started offering 'Grant Claimable Courses' to attract participants from other sectors. This is in line with the Corporation's plans to operate the Training Centre on a commercial basis. To consolidate the Corporation's position as the leading technical training provider, expatriate training officers were recruited in the electrical and electronic fields. Two local officers were hired to understudy the expatriates.

### Burnt Cane Trend (%)

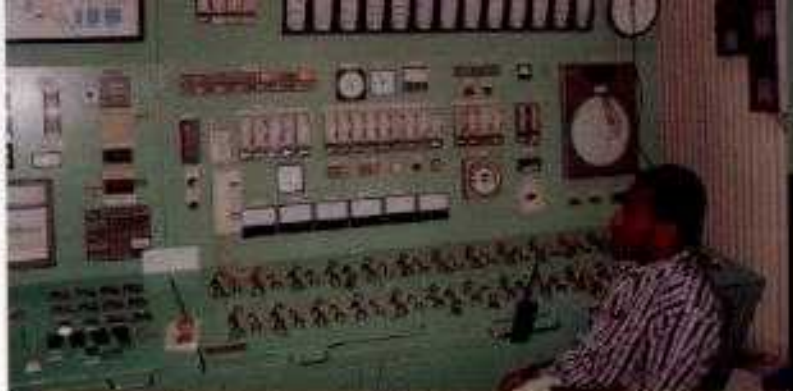




The department conducted 61 courses in management, field and electrical disciplines. The Asian Productivity Organisation (APO) and the University of Sunshine Coast also conducted a few courses. Total attendance at these courses was around 1160.

#### OHS AND ENVIRONMENTAL PROTECTION

The Corporation's Occupational Health and Safety management system is being audited by the Ministry of Labour & Industrial Relations, a first for Fiji. The Corporation has also engaged Pacific Risk Consulting Engineers to carry out bomb threat contingency plans, emergency evacuation floor plans and structural survey plans at all mills and centres. Marsh Consulting has been engaged to assist in compiling the environmental management system by August 2001 in line with the enactment of the Sustainable Development Bill.



#### SUGAR EXPORTS AND MARKETING

Sugar manufactured for export in the 2000 season was sold and shipped to the following destinations:

Destination	Quantity (mtq)
United Kingdom	163,624 (Protocol) 13,678 (Special Preferential Sugar)
Portugal	20,100 (Special Preferential Sugar)
USA	9,044
Japan	18,385
Korea	14,600
Malaysia	22,000
Indonesia	20,000
Taiwan	27,650
<b>TOTAL</b>	<b>309,081</b>

#### ACP/EU

##### Cotonou Agreement

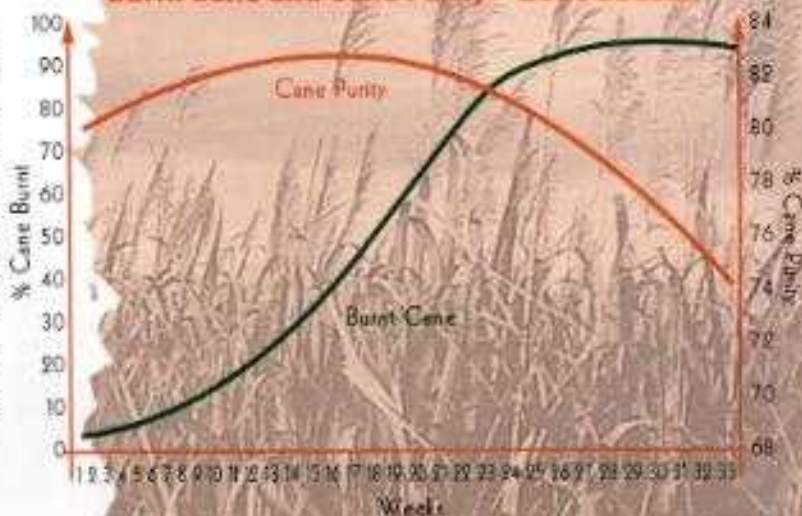
The new ACP/EU Partnership Agreement was signed in Cotonou, Benin on 23 June, 2000, with the Sugar Protocol (Protocol 3) retained in its current form. The agreement calls for Economic Partnership Agreements to be negotiated by 31 December, 2007 at the latest. It

#### INFORMATION SYSTEMS CENTRE

The Information Systems Centre entered its first commercial contract - to facilitate the computing needs of the Lautoka City Council for a fixed monthly fee. Other projects include systems and network development work for the Sugar Commission of Fiji, linking the Industrial Tribunal, Fiji Sugar Marketing and the Growers Council. Other clients include Asian Paints and the Sugar and General Workers Union. New systems were also developed for the Corporation to manage the Farming Assistance Scheme, NIR Cane Quality Payment System and the Kronos Time Clock system.



#### Burnt Cane and Cane Purity - 2000 Season





comes into force on 1 January, 2008, unless earlier dates are agreed. The current arrangement thus continues until then.

#### ACP Sugar Guaranteed Price

The Commission made a price offer in April 2001 for sugar delivered during the 2000/2001 marketing year as follows:

Raw Sugar 52.37 EURO/100kg

White Sugar 64.65 EURO/100kg

This represented a price freeze as has been the case since the 1991/1992 delivery period. The Agreement is expected to be signed following consultations with ACP ministers.



#### SPECIAL PREFERENTIAL SUGARS

The total SPS allocated to Fiji in the 2000/2001 quota year was 32,932 tonne use, which included 10,564 tonnes being Fiji's share of the reallocation of Mauritius' shortfall. During the quota year, Fiji delivered 19,607 tonnes to Portugal and the balance of 12,624 tonnes was delivered to Tate & Lyle Europe. The SPS Agreement will expire on 30 June, 2001. Its renewal depends on the review of the present sugar regime, which is being examined by the EU Council.

#### WORLD MARKET

Sugar prices have relived from the lows of about US4 cents per lb to March highs of about US11.40 cents, a 200% increase. But a combination of producer selling, in particular selling of low quality whites from India - coupled with trade and speculative long liquidation, saw prices fall back to current levels of close to US8 cents. The rally coincided with world



production/consumption deficit forecast of about 3 million tonnes for the 2000/2001 season and forecasts of strong buying from Russia. In addition, Brazil's exports fell dramatically.

The market is consolidating and eagerly awaits China's entry as a purchaser of raw sugar. The forecast of China's production is set at 6.25 mmt, with consumption estimated at 8.25 mmt. With funds and commission houses holding significant short positions, the market is poised to move higher with China being the catalyst. Although a return to the recent highs of US11 cents cannot be ruled out, it is likely the market will run out of steam around the US9.50/10.50 cents mark. Once China's purchases have been finalised, the return to a US7.50-cent mark over the coming year is a distinct possibility.





## MOLASSES

Molasses produced during the season were shipped to the following destinations.

Destination	Tonnage (mt)
Taiwan	56,767
Indonesia	40,244
Puerto Rico/Trinidad	63,135
Tahiti	17
New Caledonia	20
TOTAL	160,184

Apart from the sales to Tahiti and New Caledonia, all exportable molasses was sold under contract to United Molasses, a subsidiary of Tate & Lyle Group UK.



the Executive Management Group in January 2001 as Actg Purchasing Manager.

## CONCLUSION

The exceptional rainy conditions throughout the season had an adverse effect on crushing operations, hindering the continuous supply of sugarcane to the mills. It also depressed cane quality parameters. These, coupled with the repercussions of the May political crisis, prolonged the crushing season, resulting in huge financial losses. Depressed sugar content led to reduced sugar production as weather conditions were not conducive to sucrose yield.

Notwithstanding, operational costs compounded these ills to the extent that the Corporation was operating below economically sustainable levels. Although the Corporation did not have any control over these factors, it had to bear most of the costs from its share of the sugar proceeds. The compensation package awarded under the Wages Regulations (Manufacturing Industry) Order to the Sugar General Workers Union added to the Corporation's financial losses.

Against a background of permanently declining proceeds, and in the short term, reducing crop sizes, it is essential that the industry is restructured with the objective of securing its future and of all stakeholders. The Corporation believes that there is a solution to the industry's woes and will actively implement whatever actions stakeholders, including Government, agree on.

The Directors, however, recognise and acknowledge the dedication of its Executive Management Group, Management Staff and all its Employees during what was another difficult year.

## EXECUTIVE MANAGEMENT GROUP

Mr Jonetani Galuinedi officially retired as Managing Director on March 31, 2001. He was replaced by Mr John McFadden. The Group General Manager Operations Mr Josala Osborne retired during the year while the Group General Manager Finance Mr Sachida Gounder resigned. Thus the Executive Management Group was also reshuffled. Mr Abele Daurewa, General Manager Lautoka Mill, was appointed Acting Group General Manager Operations while Manager Finance Mr Ali Ubadutt was appointed Actg Group General Manager Finance. The General Manager Rarawai Mill, Mr Raymond Wade, was appointed General Manager Lautoka Mill while Mr Abdul Shamsher, General Manager Penang Mill, was appointed General Manager Rarawai Mill. Mr Alipate Ridorodro, Acting General Manager Labasa Mill, was confirmed while the Divisional Manager Human Resources, Mr Savenaca Cavalevu, was appointed Acting General Manager Penang Mill. The former Senior Supplies Officer, Mr Krishna Naicker, joined

H D Khan  
Director

J McFadden  
Director





## Executive Management Group

### HEAD OFFICE

J K Galunadi, BSc (New England)  
Chief Executive & Managing Director  
(retired at 31 March 2001)

J McFadden, BSc, BCom  
Chief Executive & Managing Director  
(appointed 21 May 2001)

A Kuva, BA (USP), AFAIM  
General Manager Administration

A Daurewa, MCIT  
Group Gen Manager Operations (Actg)

J P Komen, BE (AUST),  
CPEng, C.dip, AF, MAICHE, MAICD  
Group General Manager Cogeneration

P Glassop  
Group General Manager Technical

A Ubadutt, CA (Fiji)  
Group General Manager Finance (Actg)

R Koster  
Chief Engineer FSC

S Chandre, BSc (USP)  
Divisional Manager Production Services

E Cagi  
Divisional Manager Transport

V Navalokva, DTA (Fiji)  
Divisional Manager Field Services

K Nacker  
Purchasing Manager (Actg)

J West  
Strategic Business Management Advisor

G Bentley  
Chief Production Technologist

### MILLS

R Wade  
General Manager, Lautoka Mill

A Shamsheer  
General Manager, Rarawai Mill

A Radrodro  
General Manager, Labasa Mill

S Cavalevu BA (USP), PGDDS (USP)  
General Manager (Actg), Penang Mill

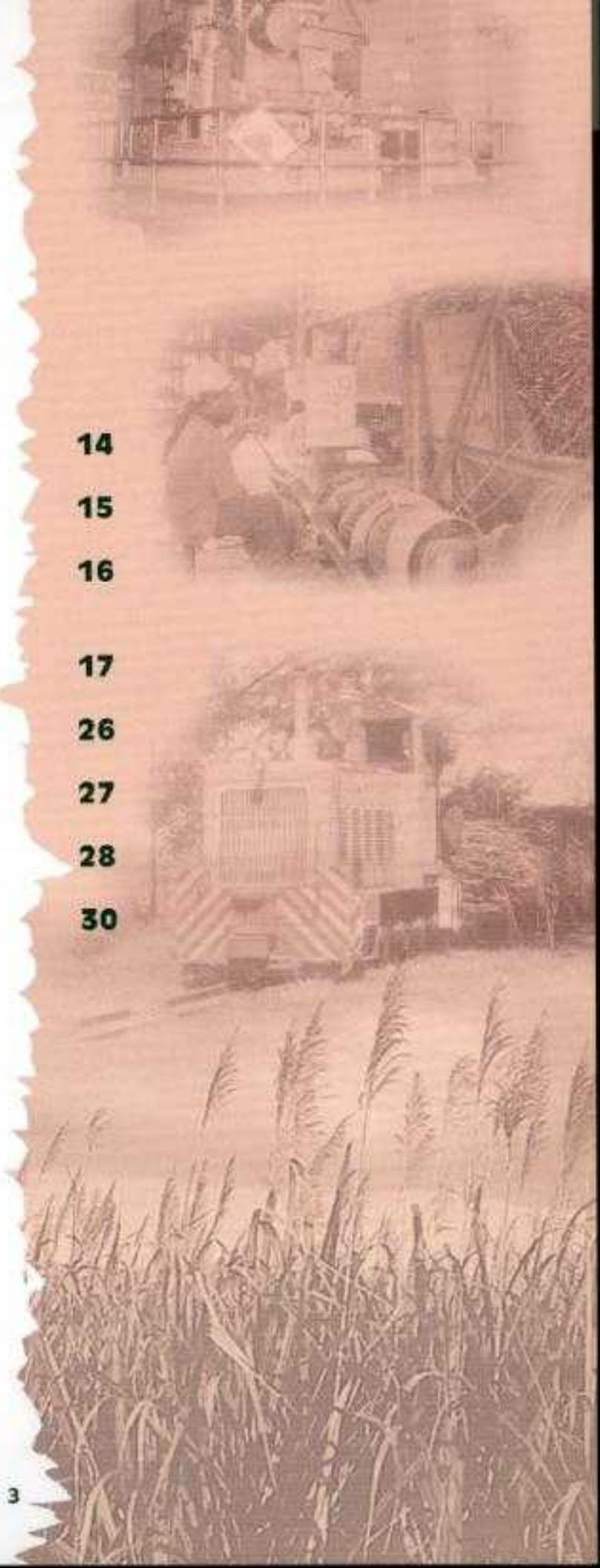
### CORPORATE CENTRES

J S Shannon  
Manager Information System

J S Gawander, MSc (USP)  
Manager Sugar Cane Research Centre







## Financial Statements

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## Independent Audit Report to the Members of The Fiji Sugar Corporation Limited and Subsidiary Companies

### Scope

We have audited the financial statements of The Fiji Sugar Corporation Limited and of the group for the year ended 31 March 2001 as set out on pages 15-27. The company's directors are responsible for the preparation and presentation of the financial statements and the information contained therein. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with our understanding of the company's and the group's financial position, the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### Audit Opinion

In our opinion:

(a) proper books of account have been kept by the company, so far as it appears from our examination of those books, and

(b) the accompanying accounts which have been prepared in accordance with Fiji Accounting Standards:

(i) are in agreement with the books of account;

(ii) to the best of our information and according to the explanations given to us:

(a) give a true and fair view of the state of affairs of the company and of the group as at 31 March 2001, and of the results and cash flows of the company and of the group for the year ended on that date;

(b) give the information required by the Fiji Companies Act, 1983 in the manner so required.

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.

Lautoka, Fiji  
30 August 2001

Pricewaterhouse Coopers  
Chartered Accountants



The Fiji Sugar Corporation Limited and Subsidiary Companies  
 Profit and Loss Accounts for the year ended 31 March 2001

	Note	Consolidated		Holding Company	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>TURNOVER</b>		251,252	287,531	251,186	287,231
<b>OPERATING LOSS BEFORE INCOME TAX</b>	2	(20,821)	(5,318)	(20,946)	(5,326)
Income tax benefit	3	74	2,043	76	2,044
<b>OPERATING LOSS AFTER INCOME TAX</b>		(20,747)	(3,275)	(20,870)	(3,282)
Retained profits at 31 March 2000		17,262	20,537	16,980	20,262
<b>TOTAL AVAILABLE FOR APPROPRIATION</b>		(3,485)	17,262	(3,890)	16,980
<b>(ACCUMULATED LOSSES)/RETAINED PROFITS AT 31ST MARCH 2001</b>		(3,485)	17,262	(3,890)	16,980

The accompanying notes form part of these financial statements.



The Fiji Sugar Corporation Limited and Subsidiary Companies  
Balance Sheet as at 31 March 2001

	Note	Consolidated		Holding Company	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>CURRENT ASSETS</b>					
Cash		3,004	458	2,314	400
Short term deposits		7,000	38,500	7,000	38,500
Receivables	4	7,665	7,220	6,554	7,214
Inventories	5	51,674	42,873	51,674	42,873
<b>TOTAL CURRENT ASSETS</b>		<b>69,343</b>	<b>89,051</b>	<b>67,542</b>	<b>88,987</b>
<b>NON-CURRENT ASSETS</b>					
Receivables	4	600	600	600	600
Property, plant and equipment	6	200,563	209,108	200,477	209,036
Investments	7	972	972	932	932
Future income tax benefit		4,584	4,584	4,584	4,584
<b>TOTAL NON-CURRENT ASSETS</b>		<b>206,719</b>	<b>215,264</b>	<b>206,593</b>	<b>215,152</b>
<b>TOTAL ASSETS</b>		<b>276,062</b>	<b>304,315</b>	<b>274,135</b>	<b>304,139</b>
<b>CURRENT LIABILITIES</b>					
Creditors & borrowings	8	46,085	58,869	44,662	59,148
Provisions	9	15,835	9,017	15,736	8,844
Term loans - secured	11	6,015	3,818	6,015	3,818
<b>TOTAL CURRENT LIABILITIES</b>		<b>67,935</b>	<b>71,704</b>	<b>66,413</b>	<b>71,810</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	9	25,804	25,142	25,804	25,142
Deferred income	10	2,365	2,540	2,365	2,540
Term loans - secured	11	8,856	13,023	8,856	13,023
- unsecured	12	17,000	17,000	17,000	17,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>54,025</b>	<b>57,705</b>	<b>54,025</b>	<b>57,705</b>
<b>TOTAL LIABILITIES</b>		<b>121,960</b>	<b>129,409</b>	<b>120,438</b>	<b>129,515</b>
<b>NET ASSETS</b>		<b>154,102</b>	<b>174,906</b>	<b>153,697</b>	<b>174,624</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	13	22,200	22,200	22,200	22,200
Reserves	14	135,387	135,444	135,387	135,444
(Accumulated losses)/Retained profits		(3,485)	17,262	(3,890)	16,980
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>154,102</b>	<b>174,906</b>	<b>153,697</b>	<b>174,624</b>

The accompanying notes form part of these financial statements.

These financial statements are approved by a resolution of the Board of Directors.

For and on behalf of the Board

..... (Director)

*Greg Jadden* (Director)



**The Fiji Sugar Corporation Limited and Subsidiary Companies**  
**Notes to and forming part of the Financial Statements at 31 March 2001**

Company
2000
\$'000
400
38,500
7,214
42,873
88,987

600
209,036
932
4,584
215,152
304,139

59,148
8,844
3,818
71,810

25,142
2,540
13,023
17,000
57,705
29,515
74,624

22,200
35,444
16,980
74,624

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted by The Fiji Sugar Corporation Limited and its subsidiaries are stated to assist in a general understanding of these financial statements. These policies have been consistently applied by group companies except as otherwise indicated.

**1.1 Basis of accounting**

(i) The financial statements have been prepared on the basis of historical cost and except where stated, do not take into account current valuation of non-current assets.

(ii) The financial statements have been prepared on the basis that the company will continue operating with the support of all stakeholders in the sugar industry, including periodic financial guarantee and related support from the Government of the Fiji Islands. The company is taking active steps to restructure its operations in co-operation with the sugar industry stakeholders. At this stage the company is confident that it will receive the support it needs to ensure the future viability of its business and the sugar industry in general.

(iii) A degree of economic uncertainty exists following the events of 19 May 2000 in the Fiji Islands. On 1 March 2001, the Court of Appeal declared that the 1997 constitution remains the supreme law. The financial statements do not reflect uncertain implications, if any, arising from these events.

**1.2 Principles of consolidation**

The group consolidation includes as subsidiaries all companies in which the group holds more than 50% of the issued share capital. These subsidiaries are listed in Note 7. All intercompany balances and transactions have been eliminated.

**1.3 Investments**

Investments in subsidiary and other companies are valued at cost less any amounts written off to recognize any permanent diminution in value.

**1.4 Depreciation and amortisation of property, plant and equipment**

Property, plant and equipment, other than freehold land, are depreciated over their estimated useful lives using the straight line method at the following rates:

Buildings and improvements	2%
Plant and equipment	3% to 25%
Motor vehicles	15% and 20%

Leasehold land is depreciated over the term of the applicable lease. New assets are depreciated from the commencement of the half year in which they are commissioned.

Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

**1.5 Income tax**

Income tax has been brought to account using the liability method of tax effect accounting.



**The Fiji Sugar Corporation Limited and Subsidiary Companies**  
**Notes to and forming part of the Financial Statements at 31 March 2001 (cont'd)**

**1.6 Foreign currency conversions**

All foreign currency transactions during the year are recorded in the books using the rate of exchange prevailing at the date of the transaction. At balance date amounts receivable and payable in foreign currency are translated at the exchange rate prevailing at that date. All exchange gains and losses are brought to account in determining the results for the year.

The Balance Sheet and the Profit and Loss Account of the company's foreign subsidiary have on consolidation been translated to Fijian currency in accordance with Fiji Accounting Standard No. 21 on Foreign Currency Translation.

**1.7 Receivables**

Provision is raised for any doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

**1.8 Inventories**

Sugar and molasses produced locally are valued at net realisable value. Net realisable value is determined by either approved selling prices, contracts or free market prices and is net of expected related marketing, selling and distribution costs.

Spares are stated at cost. Costs are assigned to spares using the weighted average basis and comprise all costs incurred in bringing the stocks to their present location and condition.

**1.9 Employee entitlements**

The amounts expected to be paid to employees for their pro rata entitlements to long service leave, annual leave and other benefits are accrued at current wage rates. The company has no liability for current or past service pensions.

**1.10 Slack season overhaul costs**

All slack season overhaul costs are taken into account in determining the results for the year.

**1.11 Government grants**

Government grants are recognised in the Profit and Loss Statement over the periods necessary to match them with the related costs which the grants are intended to compensate.

**1.12 Uninsured risk**

A provision is made to cover uninsured risks based on an assessment of the risks involved.

**1.13 Turnover**

Turnover represents revenue received by the group for the sale of its products and services, net of returns, trade allowances, brokerage, marketing fees, duties and taxes paid.

**1.14 Cash flows**

For the purpose of the Statements of cash flows, cash includes cash on hand, deposits held at call with banks and investments in money market instruments, net of bank overdrafts.

**1.15 Comparative figures**

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current year.



**The Fiji Sugar Corporation Limited and Subsidiary Companies**  
**Notes to and forming part of the Financial Statements at 31 March 2001 (cont'd)**

	Consolidated		Holding Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>2. OPERATING LOSS</b>				
Operating loss before income tax has been determined after:				
(i) Crediting as revenue:				
Interest received/receivable from:				
Bank	368	162	368	143
Others	170	194	110	194
Amortisation of Government grants (Note 10)	174	474	174	474
Dividend income:				
Subsidiary company	-	-	-	50
Associate companies	198	198	138	138
(ii) Charging as expense:				
Amortisation of leasehold land	1	1	1	1
Auditors' remuneration for:				
Auditing services	82	78	69	65
Other services	16	42	16	42
Bad debts written off	20	12	20	12
Stock written off	11	80	13	80
Depreciation:				
Building & improvements	1,623	761	1,623	761
Plant & equipment	12,145	14,459	12,113	14,441
Motor vehicles	476	655	476	640
Directors' emoluments for:				
Services as directors	38	39	38	39
Other services	242	240	114	114
Interest paid/payable	1,326	1,254	1,326	1,254
Loss on disposal of property, plant and equipment	314	2,101	316	2,101
Provision for:				
- doubtful debts	17	6	17	6
- employee benefits	(223)	228	(150)	237
- others	2,415	1,782	2,415	1,782
- Voluntary Separation Scheme	5,600	-	5,600	-
- Wages Regulation Industry Order	2,642	2,685	2,642	2,685



## The Fiji Sugar Corporation Limited and Subsidiary Companies

## Notes to and forming part of the Financial Statements at 31 March 2001 (cont'd)

	Consolidated		Holding Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>3. INCOME TAX BENEFIT</b>				
The prima facie income tax benefit on pre-tax operating loss is reconciled to the income tax benefit shown in the profit and loss account as follows:				
Prima facie income tax benefit on the operating loss before income tax	7,287	1,861	7,331	1,864
(a) Tax effect of permanent differences which:				
i) Reduce tax payable:				
Amortisation of Government grants	61	166	61	166
Dividends received	69	66	48	66
Change in tax rate	384	-	384	-
ii) Increase tax payable:				
Depreciation expense not allowable for income tax	(445)	-	(445)	-
Sundry non-allowable expenditure	(63)	(52)	(64)	(52)
Prima facie tax benefit adjusted for permanent differences	7,293	2,041	7,315	2,044
Timing differences not brought to account	20	2	-	-
Future income tax benefit in respect of current year losses not brought to account	(7,239)	-	(7,239)	-
Income tax benefit	74	2,043	76	2,044
Future income tax benefit of \$7,239,305 relating to current year tax losses have not been brought to account as realisation of the same is not regarded as virtually certain. The benefit will only be obtainable if:				
a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;				
b) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and				
c) no changes in the tax legislation adversely affect the Company in realising the benefit from the deductions for the loss.				
<b>4. RECEIVABLES</b>				
Current:				
Trade receivables	3,335	1,389	3,335	1,389
Related companies	304	455	304	455
Associated companies	-	8	-	8
	3,639	1,852	3,639	1,852
Other receivables and prepayments	4,115	5,440	3,004	5,434
Deduct: Provision for doubtful debts	(89)	(72)	(89)	(72)
	4,026	5,368	2,915	5,362
Total Current	7,665	7,220	6,554	7,214
Non Current:				
Related companies	600	600	600	600
	6,265	7,820	7,154	7,814



The Fiji Sugar Corporation Limited and Subsidiary Companies

Notes to and forming part of the Financial Statements at 31 March 2001 (cont'd)

	Consolidated		Holding Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
<b>5. INVENTORIES</b>				
Sugar and molasses	35,009	28,406	35,009	28,406
Spare parts and other inventories	16,865	14,667	16,865	14,667
	<u>51,874</u>	<u>43,073</u>	<u>51,874</u>	<u>43,073</u>
Deduct: Provision for obsolescence	(200)	(200)	(200)	(200)
	<u>51,674</u>	<u>42,873</u>	<u>51,674</u>	<u>42,873</u>
<b>6. PROPERTY, PLANT &amp; EQUIPMENT</b>				
<b>(a) Cost/Valuation</b>				
At directors' valuation 25th Feb 2000 :				
Freehold land	26,778	26,778	26,778	26,778
Buildings	51,431	51,489	51,431	51,489
At cost:				
Freehold land	22	22	22	22
Leasehold land	159	159	159	159
Buildings and improvements	10,338	9,982	10,338	9,982
Plant and equipment	273,473	274,233	273,359	274,135
Motor vehicles	9,167	9,376	9,054	9,289
Capital works in progress	6,959	5,016	6,959	5,016
<b>TOTAL</b>	<u>378,327</u>	<u>377,055</u>	<u>378,100</u>	<u>376,870</u>
<b>(b) Accumulated Depreciation</b>				
At directors' valuation 25th Feb 2000 :				
Buildings	1,270	-	1,270	-
At cost:				
Leasehold land	19	18	19	18
Buildings and improvements	4,734	4,385	4,734	4,385
Plant and equipment	163,492	155,438	163,422	155,384
Motor vehicles	8,249	8,106	8,178	8,047
<b>TOTAL</b>	<u>177,764</u>	<u>167,947</u>	<u>177,623</u>	<u>167,834</u>
<b>(c) Written Down Value</b>				
At directors' valuation 25th Feb 2000 :				
Freehold land	26,778	26,778	26,778	26,778
Buildings	50,161	51,489	50,161	51,489
At cost:				
Freehold land	22	22	22	22
Leasehold land	140	141	140	141
Buildings and improvements	5,604	5,597	5,604	5,597
Plant and equipment	109,981	118,795	109,927	118,751
Motor vehicles	918	1,370	876	1,242
Capital works in progress	6,959	5,016	6,959	5,016
<b>TOTAL</b>	<u>200,563</u>	<u>209,108</u>	<u>200,477</u>	<u>209,036</u>

The holding company's freehold land and buildings were revalued by the directors on 25 Feb 2000 based on an independent valuation carried out by registered valuers, Rolle Hillier Parker of Suva, Fiji.



## The Fiji Sugar Corporation Limited and Subsidiary Companies

Notes to and forming part of the Financial Statements at 31 March 2001 (cont'd)

	Consolidated		Holding Company		
	2001	2000	2001	2000	
	\$'000	\$'000	\$'000	\$'000	
<b>7. INVESTMENTS</b>					
Shares in subsidiary companies at cost	-	-	12	12	
Shares in associated companies at cost	972	972	920	920	
	<u>972</u>	<u>972</u>	<u>932</u>	<u>932</u>	
<b>(a) Investments in subsidiaries</b>					
Name of Company	Place of Incorporation	Contribution to Group Results	Book Value of Holding Company Investment (Ordinary shares)	% Shareholding	
		2001	2000	2001	2000
		\$'000	\$'000	\$'000	\$'000
				%	%
Unlisted					
FSC Projects Ltd	Fiji	58	60	-	-
FSC Services Pty Ltd	Australia	67	(1)	12	12
		<u>125</u>	<u>59</u>	<u>12</u>	<u>12</u>
<b>(b) Investments in associated companies</b>					
Name of company	Place of Incorporation	% Shareholding			
		2001	2000		
		%	%		
South Pacific Fertilizers Limited	Fiji	40	40		
Agchem Limited	Fiji	40	40		
<b>8. CREDITORS AND BORROWINGS</b>					
Bank overdraft - unsecured		1,180	3,936	1,180	3,936
Amounts payable to subsidiary company		-	-	227	1,200
Trade creditors and accruals		44,905	54,933	43,255	53,932
		<u>46,085</u>	<u>58,869</u>	<u>44,662</u>	<u>59,148</u>
<b>9. PROVISIONS</b>					
Non-current		25,804	25,142	25,804	25,142
Current		15,835	9,017	15,736	8,844
		<u>41,639</u>	<u>34,159</u>	<u>41,540</u>	<u>33,986</u>
Non-current provisions					
Employee benefits		169	181	169	181
Deferred income tax liability		24,885	24,961	24,885	24,961
Other provisions		750	-	750	-
		<u>25,804</u>	<u>25,142</u>	<u>25,804</u>	<u>25,142</u>
Current provisions					
Income Tax		-	703	-	703
Employee benefits		2,743	2,954	2,644	2,781
Uninsured risk		2,346	2,391	2,346	2,391
Other		10,746	2,969	10,746	2,969
		<u>15,835</u>	<u>9,017</u>	<u>15,736</u>	<u>8,844</u>



**The Fiji Sugar Corporation Limited and Subsidiary Companies**  
**Notes to and forming part of the Financial Statements at 31 March 2001 (cont'd)**

**9. PROVISIONS (cont'd)**

During the year the Corporation reached a settlement with the Fiji Sugar General Employees Union on the outstanding claim under the Wages Regulation Industry Order. The final settlement amounted to some \$4.6m, of which \$2.1m has been paid to the Union and the balance of \$2.5m has been included in the other provisions.

The Holding company has embarked on a major manpower rationalisation programme during the year through voluntary separation scheme, outsourcing of non core operations and redundancies through job mergings. The other provision includes a provision for redundancy payment to the affected employees amounting to \$5.6m in this regard and has been computed by the Corporation and is yet to be confirmed with the employees and the union.

	Consolidated		Holding Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
<b>10. DEFERRED INCOME</b>				
Government grants	5,014	5,014	5,014	5,014
Less: Provision for amortisation	(2,649)	(2,474)	(2,649)	(2,474)
	<u>2,365</u>	<u>2,540</u>	<u>2,365</u>	<u>2,540</u>
<b>11. TERM LOAN - SECURED</b>				
Westpac Banking Corporation Ltd	14,871	16,841	14,871	16,841
Less				
Current Portion	6,015	3,818	6,015	3,818
Non-Current Portion	<u>8,856</u>	<u>13,023</u>	<u>8,856</u>	<u>13,023</u>

The terms and conditions of the above loan are as follows:

- Term of Loan : 5 years
- Interest Rate : 5.99% and 6.18% for the first and second year, thereafter, at 0.27% above the bank's Prime Lending Rate (PLR)
- Repayment : Half yearly, principal and interest.
- Security : Limited guarantee of \$20,400,000 from the Government of the Republic of Fiji Islands.

**12. TERM LOAN - UNSECURED**

Term Loan from the Government of Fiji	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>
---------------------------------------	---------------	---------------	---------------	---------------

Term loan from the Government is to assist finance the purchase of plant and equipment that will improve the milling efficiency. The loans are also to be used for upgrade of sections of the tramline network, and to generally improve infrastructure relating to the transportation of rail cane. The amount is repayable over a period of 15 years with moratorium on principal and interest repayments for the first five years. Thus far the Corporation has received \$8.5m in 1998 and another \$8.5m in 1999 in this regard.

The interest rate on the loan is fixed at 8% p.a. over the loan period.

**13. SHARE CAPITAL**

Authorised capital 160,000,000				
(2000 - 160,000,000) ordinary shares of 50 cents each	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Issued capital 44,399,998 (2000 - 44,399,998)				
fully paid ordinary shares of 50 cents each	<u>22,200</u>	<u>22,200</u>	<u>22,200</u>	<u>22,200</u>



**The Fiji Sugar Corporation Limited and Subsidiary Companies**  
**Notes to and forming part of the Financial Statements at 31 March 2001 (cont'd)**

	Consolidated		Holding Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
<b>14. RESERVES</b>				
(a) Capital profits reserve	2,393	2,393	2,393	2,393
(b) Revenue reserves:				
Asset replacement reserve	66,000	66,000	66,000	66,000
Uninsured risk reserve	3,500	3,500	3,500	3,500
Asset revaluation reserve	63,494	63,551	63,494	63,551
	<u>132,994</u>	<u>133,051</u>	<u>132,994</u>	<u>133,051</u>
	<u>135,387</u>	<u>135,444</u>	<u>135,387</u>	<u>135,444</u>

Capital profits reserve represents realised capital profits which are distributable to the shareholders free of income tax.

Movement in Asset revaluation reserve was:

Balance at 1 April 2000	63,551	-	63,551	-
Movement during the year	(57)	63,551	(57)	63,551
Balance at 31 March 2001	<u>63,494</u>	<u>63,551</u>	<u>63,494</u>	<u>63,551</u>

Movement prior year represents a revaluation surplus arising from a valuation undertaken by the directors on 25 Feb 2000.

**15. CONTINGENT LIABILITIES**

Guarantees or undertakings given by the bank	<u>76</u>	<u>59</u>	<u>76</u>	<u>47</u>
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At balance date, no provision was included in respect of sundry court actions against the Holding Company; the company's solicitors believe that claims arising from such actions are not likely to be of material nature.

**16. CAPITAL COMMITMENTS**

Capital commitments contracted but not provided for in the accounts	4,366	2,435	4,366	2,435
Capital commitments approved by the directors but not yet contracted	<u>3,962</u>	<u>5,005</u>	<u>3,962</u>	<u>5,005</u>
	<u>8,328</u>	<u>7,440</u>	<u>8,328</u>	<u>7,440</u>

**17. INSURANCE**

The company insures all material risks.



**The Fiji Sugar Corporation Limited and Subsidiary Companies**  
**Notes to and forming part of the Financial Statements at 31 March 2001 (cont'd)**

**18. RELATED PARTY INFORMATION**

**Ownership interests in related parties**

Interests held in subsidiaries and associated companies are set out in note 7 to the financial statements.

**Transactions with related parties**

All transactions with related parties are made on normal commercial terms and conditions. The material transactions during the year were:

	2001	2000
	\$'000	\$'000
Purchases by holding company from subsidiary company FSC Services Pty Ltd	12,112	11,649

Amounts receivable from or payable to related parties are disclosed in notes 4 and 8 to the financial statements.

**19. PRINCIPLE ACTIVITIES**

**Holding Company**

Principle activities are the milling of sugar cane in Fiji and the sale of sugar and molasses produced.

**Subsidiary Companies**

Principle activities of subsidiary companies are as follows:

FSC Projects Limited - the examination and development of projects relating to the utilisation of natural resources on behalf of the Corporation.

FSC Services Pty Limited - the procurement and supply of materials and spare parts and the provision of ancillary services to the holding company.

**20. SUBSEQUENT EVENTS**

The Corporation executed a Government guarantee agreement on 10 May 2001 that will enable it to borrow up to \$75m in the short-term money market as a bridging finance. The last draw down against the guarantee is on 31 March 2002.

**21. STOCK EXCHANGE LISTING**

The shares of the holding company, which is incorporated in Fiji, is listed on the South Pacific Stock Exchange.



**THE FIJI SUGAR CORPORATION LIMITED AND SUBSIDIARY COMPANIES**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2001**

	Consolidated		Holding Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Cash flows from operating activities</b>				
Receipts from trade and other debtors	248,200	314,329	248,134	314,010
Payments to trade creditors, other suppliers & employees	(265,038)	(295,478)	(265,385)	(295,029)
Income tax paid	(708)	(641)	(703)	(624)
Dividend received	138	138	138	138
Interest received	538	329	478	312
Interest and other cost of finance paid	(1,326)	(1,254)	(1,326)	(1,254)
<b>Net cash flows from operating activities</b> (Note 1)	<b>(18,196)</b>	<b>17,423</b>	<b>(18,864)</b>	<b>17,553</b>
<b>Cash flows from investing activities</b>				
Payments for property, plant and equipment	(6,106)	(5,639)	(6,062)	(5,639)
Proceeds from sale of property plant and equipment	74	81	66	81
<b>Net cash flows from investing activities</b>	<b>(6,032)</b>	<b>(5,558)</b>	<b>(5,996)</b>	<b>(5,558)</b>
<b>Cash flows from financing activities</b>				
Westpac Term Loan - Secured	(1,970)	(3,559)	(1,970)	(3,559)
Govt Term Loan - Unsecured	-	8,500	-	8,500
Dividend paid	-	(1,110)	-	(1,110)
<b>Net cash flows from financing activities</b>	<b>(1,970)</b>	<b>3,831</b>	<b>(1,970)</b>	<b>3,831</b>
<b>Net(decrease)/ increase in cash held</b>	<b>(26,198)</b>	<b>15,696</b>	<b>(26,830)</b>	<b>15,826</b>
<b>Cash at 31 March 2000</b> (Note 2)	<b>35,022</b>	<b>19,326</b>	<b>34,964</b>	<b>19,138</b>
<b>Cash at 31 March 2001</b> (Note 2)	<b>8,824</b>	<b>35,022</b>	<b>8,134</b>	<b>34,964</b>



**THE FIJI SUGAR CORPORATION LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2001**

	Consolidated		Holding Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>1 Reconciliation of net cash flows from operating profit after income tax:</b>				
Operating loss after income tax	(20,747)	(3,275)	(20,870)	(3,282)
Depreciation & amortisation	14,244	15,876	14,212	15,843
Gain on disposal of property, plant and equipment	314	2,101	316	2,101
Provision for doubtful debts	17	6	17	6
Provision for employee entitlements	(223)	228	(150)	237
	<u>(6,395)</u>	<u>14,936</u>	<u>(6,475)</u>	<u>14,905</u>
<b>Change in assets and liabilities</b>				
(Increase)/Decrease in accounts receivable	(2,893)	26,752	(1,788)	26,733
(Increase)/Decrease in inventory	(8,800)	(22,834)	(8,800)	(23,081)
Decrease in deferred income	(174)	(475)	(174)	(475)
(Decrease)/Increase in accounts payable	(1,505)	4,311	(3,236)	4,726
(Decrease)/Increase in other accruals & provisions	(12)	(450)	(12)	(450)
Increase/(Decrease) in deferred income tax	(76)	395	(76)	395
(Decrease)/Increase in provision for income tax	(703)	(561)	(703)	(544)
Decrease/(Increase) in future income tax benefit	-	(2,518)	-	(2,518)
Decrease/(Increase) in other assets	2,362	(2,133)	2,400	(2,138)
	<u>(18,196)</u>	<u>17,423</u>	<u>(18,864)</u>	<u>17,553</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				

**2 Reconciliation of cash**

Cash at the end of reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

**Cash balances**

Cash	3,004	498	2,314	400
Short term deposit	7,000	38,500	7,000	38,500
Deduct bank overdraft - unsecured	(1,180)	(3,936)	(1,180)	(3,936)
	<u>8,824</u>	<u>35,022</u>	<u>8,134</u>	<u>34,964</u>



**THE FIJI SUGAR CORPORATION LIMITED AND SUBSIDIARY COMPANIES  
SOUTH PACIFIC STOCK EXCHANGE REQUIREMENTS**

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this Annual Report)

**1. DIRECTORS' INTEREST IN SHARE CAPITAL**

As at 18 October 2001, Directors' interests in the share capital of the Corporation or related companies were as follows: (a) Mr Vipul M Mishra - 6,500 shares in FSC Ltd.

**2. DIRECTORS' INTEREST IN CONTRACTS**

During the financial year, none of the Directors had any material interest in any contract with the Corporation.

**3. DIRECTORS' TERMINATION BENEFITS**

There are no termination benefits payable to Directors in respect of their tenure as Directors.

**4. STATEMENT OF SHAREHOLDERS**

**Distribution of Share Holding**

<u>Holding</u>	<u>No. of Holders</u>	<u>No. of Shares</u>	<u>% Holding</u>
Less than 500 shares	1,478	313,244	0.71
501 to 5,000 shares	529	710,709	1.60
5,001 to 10,000 shares	23	156,785	0.35
10,001 to 20,000 shares	9	118,440	0.27
20,001 to 30,000 shares	1	24,000	0.05
30,001 to 40,000 shares	Nil	Nil	Nil
40,001 to 50,000 shares	1	40,800	0.09
50,001 to 100,000 shares	2	172,770	0.39
100,001 to 1,000,000 shares	5	1,145,971	2.58
Over 1,000,000 shares	3	41,717,279	93.96

**5. TWENTY LARGEST SHAREHOLDERS**

As at 18 October 2001 the twenty largest shareholders held 43,209,020 shares which is equal to 97.32% of the total issued capital of 44,399,998 fully paid shares of 50 cents each.

<b>1. The Government of Fiji</b>	<b>30,239,160</b>	<b>2. Fiji National Provident Fund</b>	<b>7,544,219</b>
Permanent Secretary of Finance PO Box 2212 Government Buildings Suva		Private Mail Bag Suva	
<b>3. Fijian Holdings Ltd</b>	<b>3,933,900</b>	<b>4. Unit Trust of Fiji (Trustee) Co Ltd</b>	<b>374,539</b>
PO Box 2110 Government Buildings Suva		PO Box 1359 Suva	
<b>5. FHL Securities Limited</b>	<b>7300,000</b>	<b>6. Colonial Mutual Life Assurance</b>	<b>250,080</b>
PO Box 2610 Government Buildings Suva		Society Ltd PO Box 155 Suva	



<b>7. Sugar Cane Growers Council</b> PO Box 5162 Lautoka	119,401	<b>8. Ba Provincial Holdings Co. Ltd.</b> Rogorogovuda House Lautoka	101,951
<b>9. Robert Lee</b> GPO Box 13510 Suva	98,720	<b>10. Reddys' Enterprises Limited</b> PO Box 784 Lautoka	74,050
<b>11. Morris Hedstrom Limited</b> Scholarship Fund Trustees PO Box 299 Suva	40,800	<b>12. Rotuma Development Fund</b> PO Box 18 Rotuma	24,000
<b>13. Pacific Transport Ltd</b> PO Box 1266 Suva	18,000	<b>14. Lionel Ding Sun Yee</b> GPO Box 13600 Suva	17,160
<b>15. Amraiya Naidu</b> GPO Box 13153 Suva	14,800	<b>16. Saimone Lutu</b> PO Box 170 Levuka	12,120
<b>17. Fiji Public Service</b> Association - Investment Co-op Ltd. PO Box 1405 Suva	12,000	<b>18. Johnson Fong</b> 5/113 Mount Street Congee, NSW 2034 Australia	12,000
<b>19. Joyce Due &amp; Rasmus Due</b> 93 Mallowa Ave Palm Beach, QLD 4221 Australia	11,320	<b>20. Sugar Milling Staff Officers' Association</b> The Secretary The Sugar Milling Staff Officers' Association FSC Limited, Lautoka	10,800

## 6. VOTING RIGHTS OF SHAREHOLDERS

Article 65 provides for:

On show of hands - 1 vote

On a poll - 1 vote for each share held

## 7. MAJOR SHAREHOLDERS

The names, addresses and number of shares held by shareholders holding 10% or more of the issued capital:

<b>1. The Government of Fiji</b> Permanent Secretary of Finance PO Box 2212 Government Buildings Suva	30,239,160	<b>2. Fiji National Provident Fund</b> Private Mail Bag Suva	7,544,219
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## 8. SITUATION OF THE SHARE REGISTER

The share register of the Fiji Sugar Corporation Limited is situated at Third Floor of the Western House in Lautoka.



## FINANCIAL STATISTICS

For the year ended 31st March	2007	2000	1999	1998	1997	1996	1995	1994	1993	1992
Turnover (\$m)	251.2	287.2	257.1	239.1	279.3	313.1	292.7	255.8	270.6	253.7
Profit Before Taxation (\$m)	(20.9)	(5.3)	3.0	(11.1)	(2.0)	13.0	18.1	9.3	16.3	9.4
Income Tax Expense (\$m)	0.1	(2.0)	1.0	(4.1)	(0.8)	4.4	6.2	3.2	4.1	3.3
Profit after Tax & Extraord Items (\$m)	(20.8)	(3.3)	2.0	(3.0)	(1.2)	8.7	11.9	6.1	12.2	7.2
Total Assets (\$m)	274.1	304.1	237.2	228.9	235.0	270.6	257.5	251.5	233.6	219.8
Net Assets (\$m)	153.7	174.6	114.4	113.5	118.0	120.9	115.6	107.0	104.2	95.4
Proceeds of Sugar & Molasses (\$m)	236.6	282.0	245.1	232.2	275.3	310.1	288.0	255.8	273.4	243.5
FSC's Share of Proceeds (\$m)	70.7	83.1	73.5	69.3	79.1	89.0	81.6	73.7	79.2	71.3
Price per Tonne Cane (\$)	44.01	50.76	81.79	50.07	44.82	33.78	50.98	49.16	54.99	50.89

## PRODUCTION STATISTICS

Season	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Cane Crushed (000t)	3786	2958	2098	3280	4380	4110	4064	3704	3533	3380
Sugar Produced (000t)	341	377	256	347	454	454	517	442	426	389
Molasses Prod (000t)	164	159	96	139	166	181	155	136	129	138
Tonnes Cane/Tonne Sugar	11.10	10.50	8.21	9.44	9.65	9.04	7.87	8.38	8.28	8.69
Molasses % Cane	4.3	4.0	4.6	4.2	4.2	4.4	3.8	3.7	3.7	4.1
POCS %	9.96	10.00	13.19	11.90	11.15	11.88	13.29	12.60	12.56	12.23
Cane Purity %	80.5	80.4	83.5	83.1	82.4	82.8	85.0	84.3	83.9	83.0
Fibre in Cane %	11.79	11.40	12.77	12.62	12.18	12.24	12.83	12.64	12.31	12.66
Average Crushing Rate for all mills (tph)	1115	1025	968	984	1044	1071	1057	1039	1042	1044
Actual Crushing Time as % of Available Time	69.7	74.4	76.8	70.7	83.0	80.6	89.0	80.7	88.7	83.0

## FIELD STATISTICS

Season	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Number of Growers	22179	22178	22146	22100	22304	22449	22264	22454	23334	22479
Tonnes Cane per Hectare	56.5	61.3	36.8	44.7	59.2	55.6	54.6	50.1	48.6	46.6
Average Tonnes Cane per Grower	171	162	95	148	196	183	178	163	168	161
Number of Cane Cutters	17251	13866	13417	14891	15118	14305	13797	12635	11881	12755
Output per Cutter (tonnes)	219	285	156	220	290	387	295	293	297	265
Burnt Cane %	50.4	30.7	64.0	61.5	43.4	47.0	40.2	33.4	31.5	49.0

## SUGAR EXPORTS - DESTINATIONS AND QUANTITIES (METRIC TONNES)

Season	UK/EU	MALAYSIA	USA	JAPAN	KOREA	CANADA	SINGAPORE	CHINA	INDONESIA	SPS	TAIWAN	TOTAL
1991	183229	87975	14585	4668	-	-	-	25230	-	-	-	356687
1992	198929	117239	15750	31500	-	14000	-	15000	-	-	-	392418
1993	183204	106886	8453	46500	20422	38000	-	-	-	-	-	403465
1994	169043	113367	17300	143080	-	36000	-	-	-	-	-	472690
1995	192950	90000	10200	31500	-	18000	-	15750	-	55400	-	413800
1996	137594	90000	20000	77350	15000	-	20000	20000	-	30150	-	409954
1997	145710	60000	18900	45000	-	-	-	-	-	33900	-	303510
1998	164770	-	-	17800	15000	-	-	-	-	34280	-	253850
1999	200074	-	18420	49410	30300	-	-	-	-	38500	-	336404
2000	163624	22000	9044	18285	14680	-	-	-	20000	33778	27650	309081





## The Fiji Sugar Corporation Limited

Annual General Meeting of Shareholders

### Notice of Meeting

Notice is hereby given that the Annual General Meeting of The Fiji Sugar Corporation Limited will be held at the Conference Room, Waterfront Hotel, Lautoka on 19th December, 2001 at 3pm.

### Business

1. To receive and consider the Balance Sheet, the Profit and Loss Account and the reports of the Directors and Auditors for the year ended 31 March 2001, including the declaration of a dividend as proposed by the Board.
2. To appoint Auditors and fix their remuneration.
3. To transact such other business as may properly be brought before the meeting.

### By order of the Board

**Alli Ubadutt**

**Company Secretary**

**3rd Floor, Western House, Lautoka**

**Telephone: (679) 662 655**

Date: 28th November, 2001

### Proxies

A member is entitled to appoint a proxy to attend and vote instead of himself. A proxy shall be a member of the Company. A form of proxy is enclosed overleaf for this purpose. The proxy form, or any instrument appointing a proxy, must be received at the Corporation's Registered Office (3rd Floor, Western House, Lautoka) not less than forty-eight hours before the time fixed for the meeting.





**Form of Proxy**

How to complete this form

- Note 1** In the case of a Company/Corporation, the proxy must either be under seal or under the hand of an officer or attorney duly authorised.
- Note 2** Unless the appointer is a Company/Corporation, the proxy must be signed in the presence of a Justice of Peace, Magistrate, Police Officer, Roko or other recognised public official.
- Note 3** Please ensure that all details are legible.
- Note 4** To be effective, this instrument must be received by the Corporation not less than forty-eight hours before the time of the meeting.



**The Fiji Sugar Corporation Limited**

3rd Floor, Western House, Lautoka  
Postal Address: Private Mail Bag, Lautoka

I/We \_\_\_\_\_  
being a shareholder/s of The Fiji Sugar Corporation Limited,

hereby appoint \_\_\_\_\_  
who is also a shareholder of the Corporation, or failing him, the Chairman of the Meeting, as my proxy to vote for me/us\* on  
my/our\* behalf at the Annual General Meeting of the Corporation to be held on 19th December, 2001, and at any adjournment  
thereof.

At witness my/our\* hand this \_\_\_\_\_ day of December, 2001.

signed in my presence by the said \_\_\_\_\_  
who is personally known to me.  
(Name of Shareholder)

\_\_\_\_\_  
(Signature of Shareholder)

\_\_\_\_\_  
(Signature of Witness)

\_\_\_\_\_  
(Name of Witness)

\_\_\_\_\_  
(Designation of Witness -  
Refer note 2 above)

\*DELETE WHICHEVER IS INAPPLICABLE