

QSL Fact Sheet

7 JULY 2017

Reconciling your QSL payment statement

This Fact Sheet is designed to address some common questions regarding QSL's payment statement and how it interacts with the Wilmar RCTI (Recipient Created Tax Invoice).

CANE VALUE VS GEI SUGAR VALUE

Under your Cane Supply Agreement, the cane value quoted on your RCTI from Wilmar is determined by the price your GEI marketer (i.e. QSL) pays Wilmar to purchase your GEI Sugar.

QSL's On Supply Agreement with Wilmar defines this price as the ICE 11 spot price on a set day each week. It is this price that is used to place a nominal value on your cane that is subsequently reflected in the cane value and delivery price figures quoted on your Wilmar RCTI.

However, while a value is placed on your GEI Sugar (and subsequently, your cane) for the GEI Sugar transfer process to QSL, it is important to understand that this initial purchase price does not reflect how much you will be paid by QSL for your GEI Sugar.

Your **GEI Sugar payment from QSL** is ultimately determined by your own pricing choices – choices and values that Wilmar has no knowledge of and so cannot factor into the price used to value your cane.

DIFFERENCES BETWEEN THE QSL AND WILMAR STATEMENTS

Just as Wilmar has no insight into your GEI Sugar pricing choices, your Wilmar RCTI incorporates a number of charges and allowances that QSL is not privy to. These may include:

- Levies to your local collective and SRA
- Harvesting costs
- Lease payments
- Your local cane price constant (an additional payment made under your cane price formula)
- Harbour dues
- The total net GST payable to the Australian Tax Office (ATO)



QSL does not have insight into these individual deductions and allowances, and instead only receives two figures for each farm delivery:

1. The gross sugar delivered
2. The net deductibles (incorporating allowances, levies, harbour dues and your cane constant)

As a result, the following discrepancies between the QSL and Wilmar statements can occur:

- The GEI sugar figure provided to QSL is listed to two (2) decimal points, whereas the actual calculation on the Wilmar RCTI is calculated to four (4) or more decimal places (even though it shows on the RCTI as two decimal places). This can result in the gross cane tonnes figure quoted by QSL differing slightly to the Gross Cane figure on Wilmar's RCTI.
- The Wilmar RCTI details your allowances and levies but does not detail the harbour dues and cane constant components included in the net deductible figure provided to QSL. (They are incorporated into the sugar price with the asterisk (*) next to it on your RCTI).
- While the GST total incorporated into your QSL payment is correct, the GST figures featured on your QSL statement do not reflect the individual application of GST to each of the line items in your RCTI, as we do not have insight into these individual allowances and deductions.

YOUR QSL GEI SUGAR PAYMENT

Despite the reporting differences outlined above and the necessity of referring to the RCTI for details of your GST information and deductions/allowances, QSL is confident that your QSL GEI Sugar payment is correct.

This payment reflects:

- The 'Cane Payables Redirected to QSL' figure noted on your RCTI (i.e. the total of your cane value + allowances - deductions, etc.)
- Less the cost that QSL paid Wilmar for your GEI Sugar (based on the cane value quoted on your RCTI)
- Plus your QSL GEI Sugar Advance payment

Your **QSL GEI Sugar Advance payment** specifically reflects:

- How much GEI Sugar you have delivered to date
- The indicative value of your pricing for this GEI Sugar
- The current Advance rate (i.e. 60%)
- Plus the non-sugar component of your cane payment passed on by Wilmar and detailed in your RCTI (i.e. total for allowances, deductibles, harbour dues, cane constant and GST)

We regret that we cannot provide a more detailed statement that better reconciles with the Wilmar RCTI due to the lack of insight into the details outlined above. However, we are reworking our current pay statements to make the transactions involved easier to follow. These new statements will also be issued shortly and will cover all previous QSL payments.

MORE INFORMATION

For more information about your QSL Payment Statement and how this fits with your bookwork, please read our Accounting and Tax Fact Sheet, available in the Wilmar Growers section of the QSL website (www.qsl.com.au) or by [clicking here](#). Alternatively, you can also call the QSL Direct Helpline on **1800 870 756**.

This Fact Sheet contains information of a general or summary nature. While all care is taken in the preparation of this document, the reliability, accuracy or completeness of the information provided in the document is not guaranteed and it does not constitute financial product or investment advice. QSL does not accept any responsibility to any person for the decisions and actions taken by that person with respect to any of the information contained in this document.