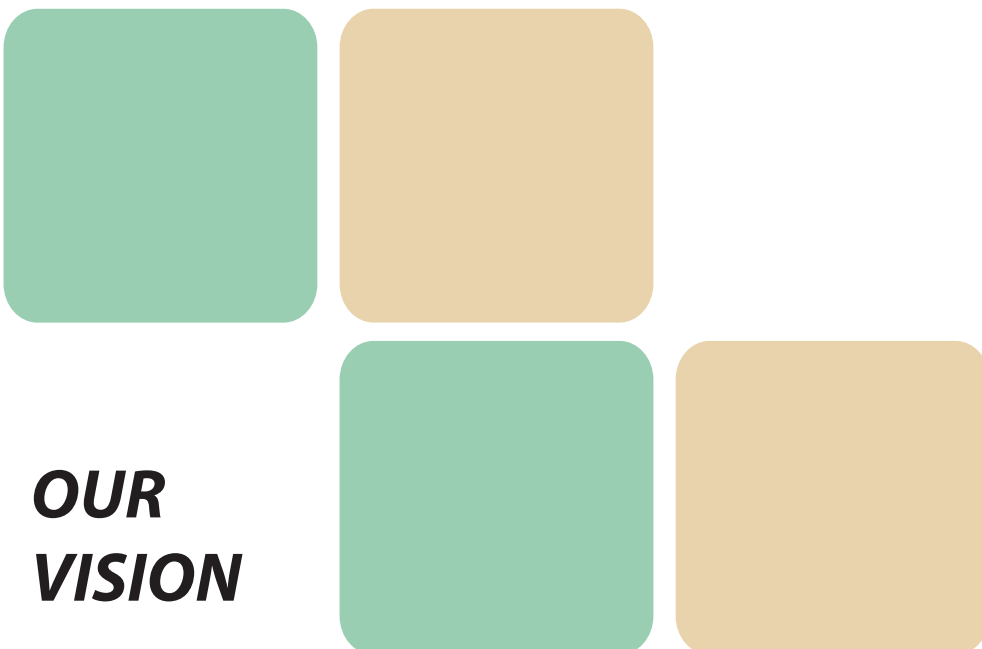




OUR MISSION

***To maximize consumer satisfaction by promoting
quality and innovative products & services reliably
and cost effectively***



OUR VISION

***To create an internationally competitive
partner for the Agro Industry***



STATEMENT OF CHAIRMAN



Date: 02.12.09

The Honourable Satya Veyash FAUGOO
Minister of Agro Industry, Food Production & Security
Port Louis

Sir,

I have the honour to submit the Annual Report of Agricultural Marketing Board for the years ended 31st December 2005 & 2006 respectively in accordance with the provision of Section 25 of the Mauritius Agricultural Marketing Act (1963).

Yours faithfully

J Ramkissoon
Chairman

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BOARD CONSTITUTION - 2005 & 2006



Board Constitution – 2005

Name	Status
1. Mr J Rugoobur (up to July 2005)	Chairman
2. Mr T Dewoo (as from October 2005)	Chairman
3. Mr M Pillay C.S.K	Vice Chairman
4. Mrs M Nathoo	Representative of the Ministry of Agriculture, Food Technology & Natural Resources (Ex Officio Member)
5. Mrs S Joomun Sairally	Representative of the Ministry of Industry, Commerce & International Trade (Ex Officio Member)
6. Mr R C Gopee	Representative of the Ministry of Finance (Ex Officio Member)
7. Mr H Mohee (Alternate: Mr P Sahadew)	Representative of the Registrar of Cooperative Societies (Ex Officio Member)
8. Dr J R N Govinden	Independent Member
9. Mr J C Monty	Independent Member
10. Mr H Daby	Independent Member
11. Mr B Manikam	Independent Member
12. Mr N Naguib	Independent Member
13. Mr M Bisesar	Independent Member

Board Constitution – 2006

Name	Status
1. Mr T Dewoo	Chairman
2. Mrs M Nathoo	Vice Chairperson - Representative of the Ministry of Agriculture, Food Technology & Natural Resources
3. Mr J Phokeer (alternate: Mrs R Ramrukheea /Mrs S Joomun Sairally)	Representative of the Ministry of Industry, Commerce & International Trade (Ex Officio Member)
4. Mrs P Rojooa (alternate: Mrs L Nosib)	Representative of the Ministry of Finance (Ex Officio Member)
5. Mr H Mohee (Alternate: Mr P Sahadew)	Representative of the Registrar of Cooperative Societies (Ex Officio Member)
6. Mr M Pillay C.S.K	Independent Member
7. Dr J R N Govinden	Independent Member
8. Mr J C Monty	Independent Member
9. Mr H Daby	Independent Member
10. Mr B Manikam	Independent Member
11. Mr M Bisesar	Independent Member
12. Mr C Lokhun	Independent Member

Supplies Committee (2005)

Name	Status
1. Mr M Pillay M.S.K	Chairman
2. Mrs M Nathoo	Representative of the Ministry of Agriculture, Food Technology & Natural Resources (Member)
3. Mrs S Joomun Sairally	Representative of the Ministry of Industry, Commerce & International Trade (Member)
4. Mr H Mohee (Alternate: Mr P Sahadew)	Representative of the Registrar of Cooperative Societies (Member)
5. Mr J C Monty	Independent Member (Member)

Supplies Committee (2006)

Name	Status
1. Mrs M Nathoo	Chairperson - Representative of the Ministry of Agriculture, Food Technology & Natural Resources (Member)
2. Mrs S Joomun-Sairally	Representative of the Ministry of Industry, Commerce & International Trade (Member)
3. Mr H Mohee (Alternate: Mr P Sahadew)	Representative of the Registrar of Cooperative Societies (Member)
4. Mr J C Monty	Independent Member (Member)

Staff Committee (2005)

Name	Status
1. Mr J Rugbur (Up to July 2005)	Chairperson
2. Mr T Dewoo (As from October 2005)	Chairperson
3. Mrs S Joomun-Sairally	Representative of the Ministry of Industry, Commerce & International Trade (Member)
4. Mr H Mohee (Alternate: Mr P Sahadew)	Representative of the Registrar of Cooperative Societies (Member)
5. Mr M Muneesamy	General Manager

Staff Committee (2006)

Name	Status
1. Mrs M Nathoo As from August 2005	Chairperson
2. Mrs S Joomun-Sairally	Representative of the Ministry of Industry, Commerce & International Trade
3. Mr P Sahadew	Representative of the Registrar of Cooperative Societies
4. Mr M Muneesamy	General Manager (Up to March 2006)
5. Mr P Ramnawaz	General Manager (As from April 2006)

SITTINGS OF THE BOARDS & SUB COMMITTEES



Sittings of the Board & Sub Committees of Board

	<u>2005</u>	<u>2006</u>
(a) Board Meeting	11	10
(b) Special Board Meeting	3	11
(c) Supplies Committee	5	9
(d) Staff Committee	13	5
(e) Finance & Tender Committee	1	0
(f) Audit Committee	1	0
(g) Disciplinary Committee	2	0
(h) Steering Committee	6	1
(i) Quota Committee	1	1
(j) Corporate Governance Committee	0	1
Total	<u>43</u>	<u>38</u>

Other committees

National Potato Committee

Onions Committee

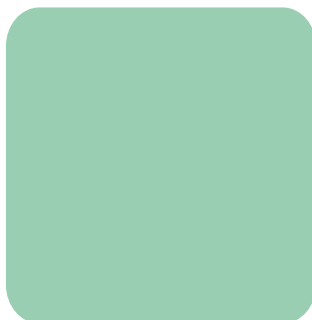
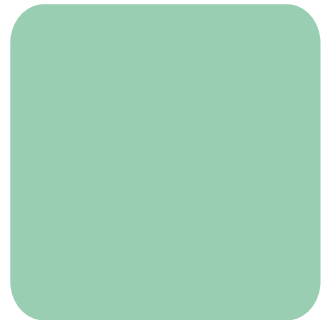
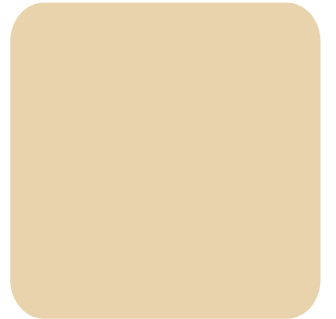
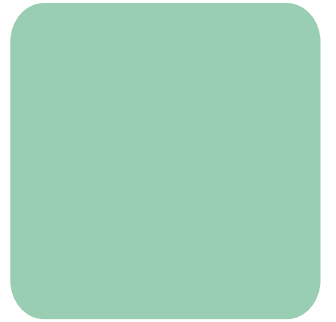
ADMINISTRATIVE STAFF OF AMB FOR 2005 & 2006

General Manager	M MUNEESEAMY (Up to Mar 2006) Mr P RAMNAWAZ (as from Apr 2006)	FCCA, FCIS, FCBSI Dip, Post Graduate Dip (Mgt)
Administrative Secretary	Mr R NEELAYYA (up to Aug 2006)	BSc (Hons) Economics
Accountant	Mr D Juggoo (up to Jun 2006) Mr P Bissessur (as from Jul 2006)	FCCA ACCA
Engineer	Mr S Jeehoo	B.Eng (Mech Eng); MSc (Project Mgt)
IT Officer	Mr S Sachin	BSc Comp Sc
Head Operations Officer	Mr P Ramnawaz (from Oct 2005 to Apr 2006)	Dip, Post Graduate Dip (Mgt)

Professional Services

(a)	AUDITOR	The Government Auditor
(b)	BANKERS	State Bank of Mauritius Ltd Mauritius Commercial Bank Ltd Bank of Baroda

SEEDS



LOCAL SEED POTATOES FOR WARE PRODUCTION

Agricultural Marketing Board (AMB) has continued to play a crucial role in the potato 'filiere' in Mauritius by ensuring that adequate quality seeds are available to the potato planting community. All seeds are produced in conformity with the standards laid down by the Mauritius Sugar Industry Research Institute (MSIRI) and are certified prior to sale to planters.

In line with the objective of Government to encourage seed production in Mauritius, AMB continued to provide seed producers a guaranteed price. To make up for the increase in the cost of production, the price at which AMB purchased seeds from producers was revised from **Rs 19,030** per tonne in 2004 to **Rs 19,215** per tonne in 2005 and subsequently to **Rs 20,200** per tonne in 2006.

In 2006, 1086 tonnes of seeds were produced as compared to 882 tonnes in 2005.

Seeds for ware production were sold to planters by AMB at **Rs 31,000** per tonne in both 2005 and 2006.

PURCHASE OF LOCAL SEED POTATOES BY AMB

PRODUCER	2006				2005			
	Mother Spunta	Spunta	Mondial	Total	Mother Spunta	Spunta	Mondial	Total
	(TONNE)				(TONNE)			
Beau Plan		49.24		49.24		83.480		83.480
St Andre	26.16	15.8		41.96				
Belle Vue	95.76			95.76		71.6		71.6
Labourdonnais		52.44		52.44				
Mon Desert Alma	14.58							
Medine		120.72		120.72		112.62		112.62
Nouvelle Industrie	161.1	47.86	20.22	229.18	224.36	32.77	35.44	292.57
Savannah	143.56			143.56	249.32			249.32
Excel	28.5			28.5		10.98		10.98
FUEL		176.3		176.3		20.82		20.82
OPA	41.82			41.82				
MAMCF	11.34			11.34				
D Dayanand	52.74			52.74		23.54		23.54
Jhurry		28.46		28.46		17.34		17.34
Total	575.56	490.82	20.22	1086.6	473.68	373.15	35.44	882.27



IMPORTED SEED POTATOES FOR WARE PRODUCTION

Being the sole importer of seed potatoes in Mauritius, AMB continued to import seed potatoes for ware production to the planting community as a result of the insufficient quantity of locally produced seeds. In 2006 and 2005 seeds for ware production were imported from Australia, Holland, UK and South-Africa.

COST OF IMPORTED SEED FOR WARE PRODUCTION

Variety	Origin	Average Price C&F (Rs/Tonne)		Quantity (Tonne)	
		2006	2005	2006	2005
Spunta	UK	-	24,789	-	125
Spunta	Australia	21,927	19,968	371	344
Spunta	Holland	24,081	20,818	60	131
Delaware	Australia	23,568	20,076	473	539
Others (For Trial)	Australia & South-Africa	24,093	21,913	10	12
Total				914	1151

The weighted average cost of imported seeds amounted to **Rs 20,659** per tonne (C&F) in 2005 whilst to **Rs 22,941** per tonne (C&F) in 2006.

SALES OF POTATO SEEDS FOR WARE PRODUCTION

Producer Groups	2006 (Tonne)	2005 (Tonne)
Sugar Estates	232.5	558.5
Y.Farmers	85	68.1
MAMCF	336	234.5
INDIVIDUAL PLANTERS		291.2
ADMA	27	21.2
Rodrigues		2.5
SIT	34	5
Others	488.7	10.3
CopeSud	315.2	
Total	1529.4	1403.1

ALLOCATION OF SEEDS

In 2006, 325.2 Tonnes of basic seeds were allocated for seed production as compared to 534.1 tonnes in 2005. Variety Spunta continued to be the most preferred variety by producers.

Variety	2006 (Tonne)			2005 (Tonne)		
	Local	Imported	Total	Local	Imported	Total
Spunta	123.5	188.7	312.2	140.1	357	497.1
Mondial	4.5	5	9.5	27	5	32
Belle Isle	3.5		3.5			
Stirling					5	5
Total	131.5	193.7	325.2	167.1	367	534.1

BASIC IMPORTED SEEDS

Basic seeds were imported from Holland for multiplication.

Variety	Origin	Average Cost C&F (Rs / Tonne)		Quantity (Tonne)	
		2006	2005	2006	2005
Spunta	Holland	40,996	42,867	48	43
Mondial	Holland	-	42,867	-	5
Total				48	48

The weighted average cost of imported basic seeds (C&F) amounted to Rs 40,996 per tonne in 2006 as compared to Rs 42,867 per tonne in 2005. In 2006, the price was more competitive as a result of depreciation of the EURO.

The selling price to seed producers for both local and imported seeds for multiplication was Rs 27,000/- per tonne in both 2005 & 2006.



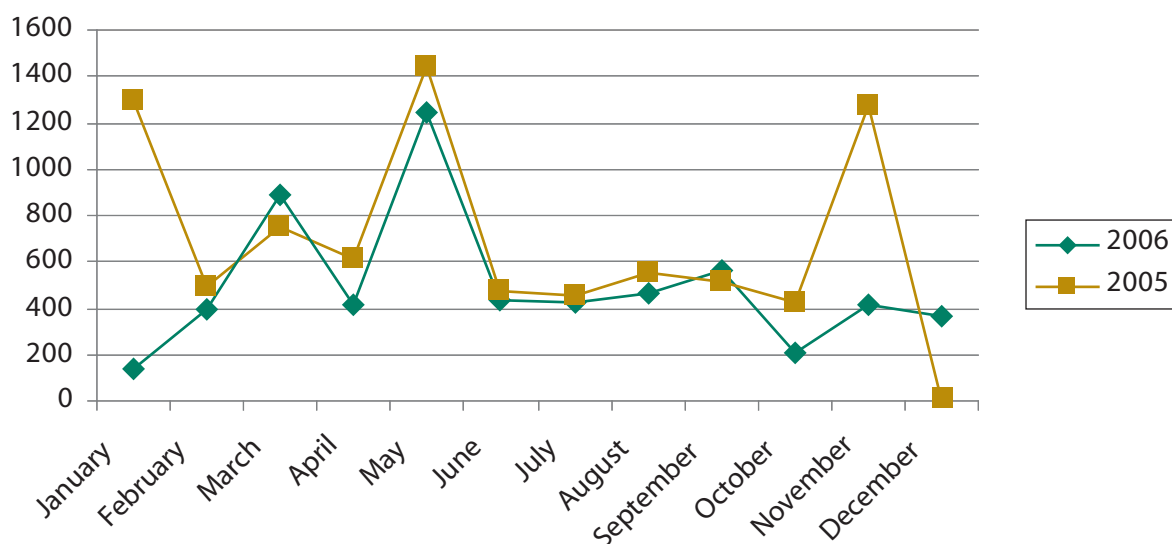
The AMB continued to provide a service to the planting community by ensuring a regular supply of bean seeds and onion seeds which are compatible to the local climatic condition at reasonable prices.

BEAN SEEDS

Cultivar	Quantity (kg)	
	2006	2005
Long Tom	9020	4000
Total	9020	4000

Cultivar Long Tom continued to be the most preferred variety of the planting community since same is a dual-purpose variety.

SALE OF BEAN SEEDS BY AMB

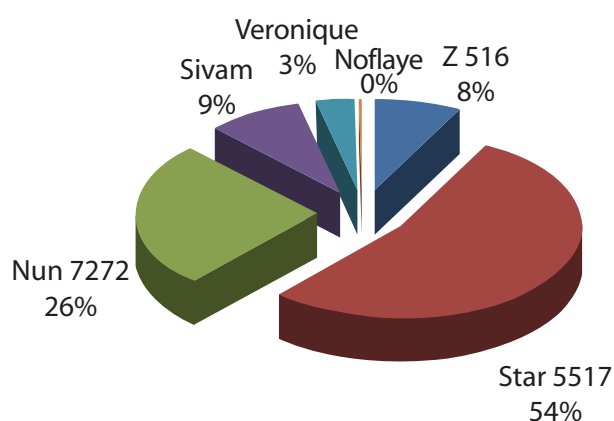


ONION SEEDS

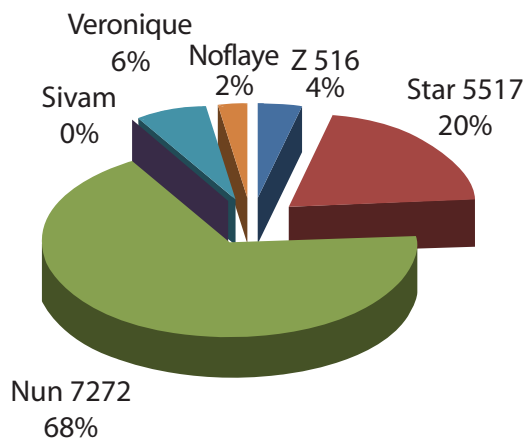
With a view to provide a service to the planting community, the AMB continued to procure onion seeds (varieties recommended by the Agricultural Research and Extension Unit) from some International Companies and through local representatives of foreign companies in Mauritius upon requests of planters. In line with the objective of Government to promote local production, seeds were sold to planters at subsidized prices.

SALE OF ONION SEEDS

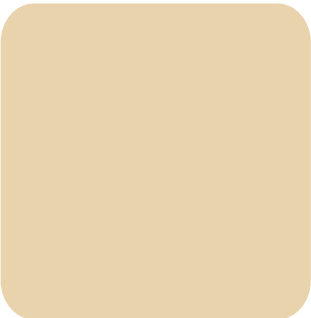
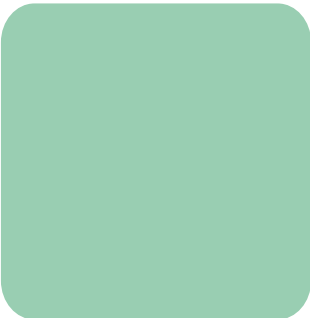
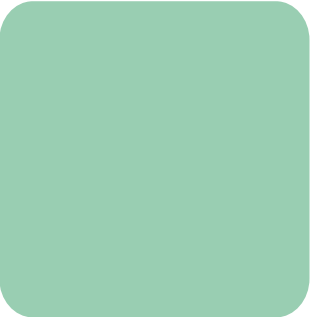
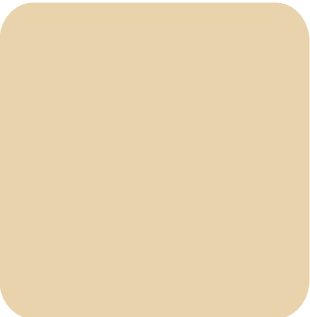
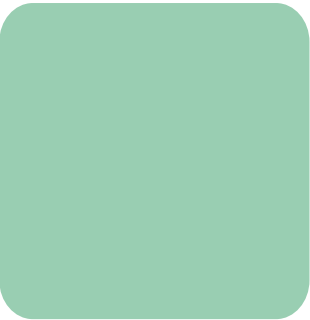
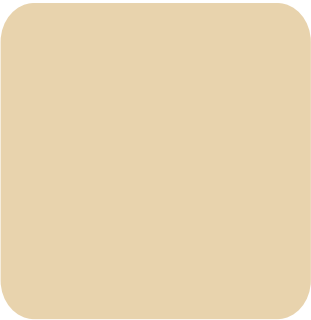
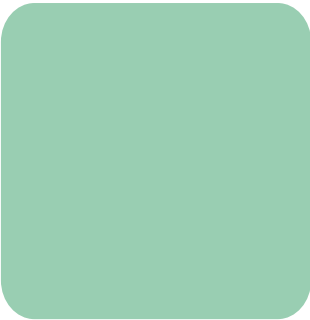
sales of onions seeds 2005



sales of onions seeds 2006



POTATOES



To cater for the total requirement of table potatoes in the country, the market was supplied through local production as well as through imports.

Local Production

In 2006 14,522 tonnes of table potatoes were produced in Mauritius as compared to 12,777 tonnes in 2005.

	Area Harvested (Hectare)		Production (Tonne)	
	2006	2005	2006	2005
January	13.7	28.1	224	421
June	3.4	2.7	42	49
July	75.6	70	1377	1837
August	80.4	103.3	1590	2429
September	116.3	75.3	2677	1450
October	96	84.8	2989	1494
November	137.6	121.1	4133	2856
December	65.7	113.7	1490	2241
Total	588.7	599	14522	12777

Source: AREU

LOCAL PRODUCTION

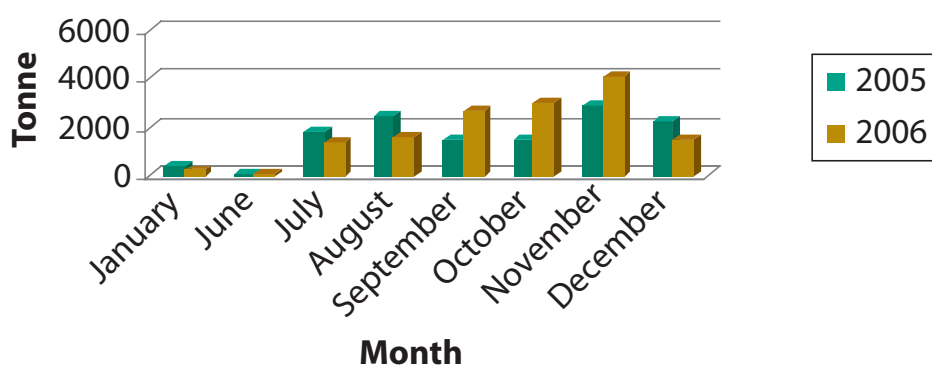


TABLE POTATOES



PURCHASE OF LOCAL WARE POTATOES BY AMB

To better regulate the supply and the retail price of table potatoes on the local market, the AMB continued to purchase any surplus production for storage at floor price.

The AMB released the stored table potatoes as and when the need arises. In 2006, the AMB purchased 1443 tonnes of table potatoes for storage from the local planters as compared to 663 tonnes in 2005.

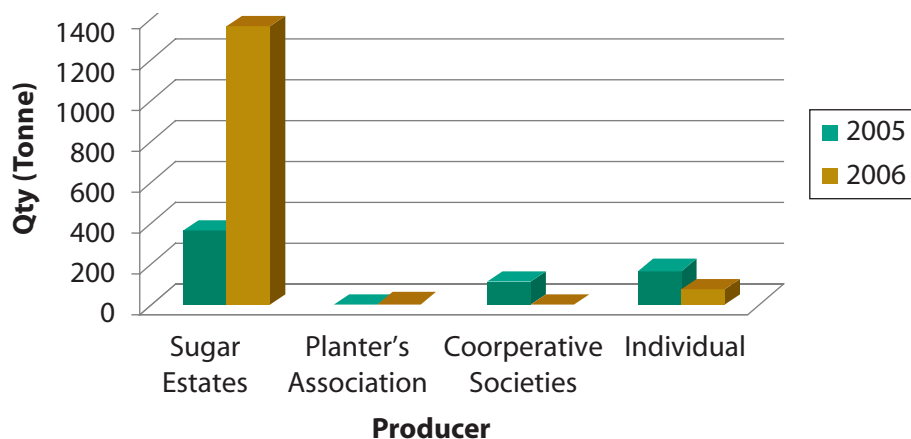
The floor price at which the AMB purchased local potatoes was Rs 14,080 / tonne in 2006 as compared to Rs 13,650 / tonne in 2005.

Local purchase of table potatoes was as follows:

2006 Month	Sugar Estates	Panter's Association	Cooperative Societies	Individual	Total
August	38.75		0		38.75
September	188.65	7.18	0	3.02	198.85
October	399.62		0		399.62
November	440.52		0	41.35	481.87
December	296.78		0	27.34	324.12
Total (Tonne)	1364.32	7.18	0	71.71	1443.21

2005 Month	Sugar Estates	Panter's Association	Cooperative Societies	Individual	Total
August	2.4	0		38.7	41.1
September	4.085	0			4.085
October	3.68	0			3.68
November	332.51	0	88.08	86.26	506.85
December	21.85	0	22.48	43.64	87.97
Total (Tonne)	364.525	0	110.56	168.6	643.685

Purchase of Local ware potatoes by AMB



IMPORTS

In both 2005 and 2006 imports of table potatoes were undertaken by both AMB and private importers. Private importers were allocated a quota representing some 50% of the total import requirement for import during period when local production was not available so as not to be in competition with the local producers. The balance quantity was imported by AMB.

In 2006, AMB imported 5,386 tonnes of table potatoes as compared to 6,496 tonnes in 2005.

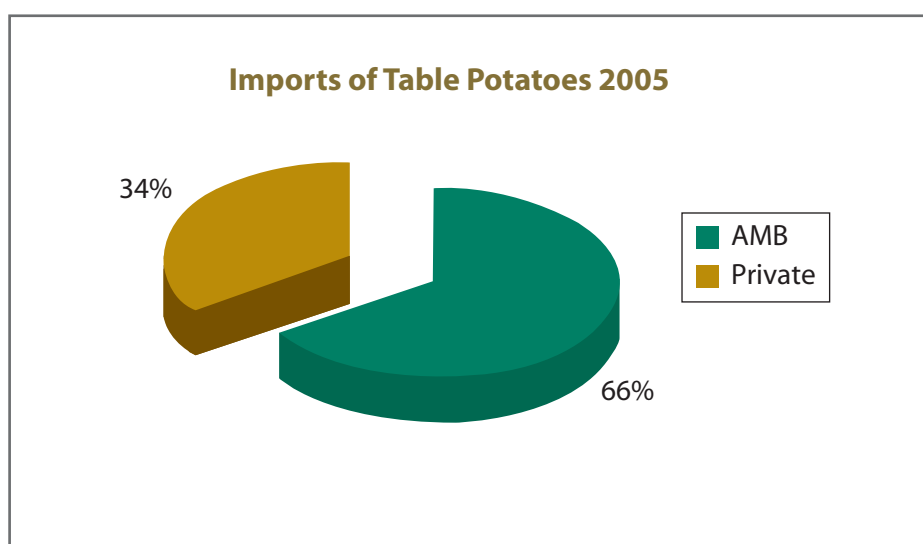
The private importers brought 3,539 tonnes out of a quota of 3935 tonnes in 2006 and 3,409 tonnes out of a quota of 3,840 tonnes in 2005.

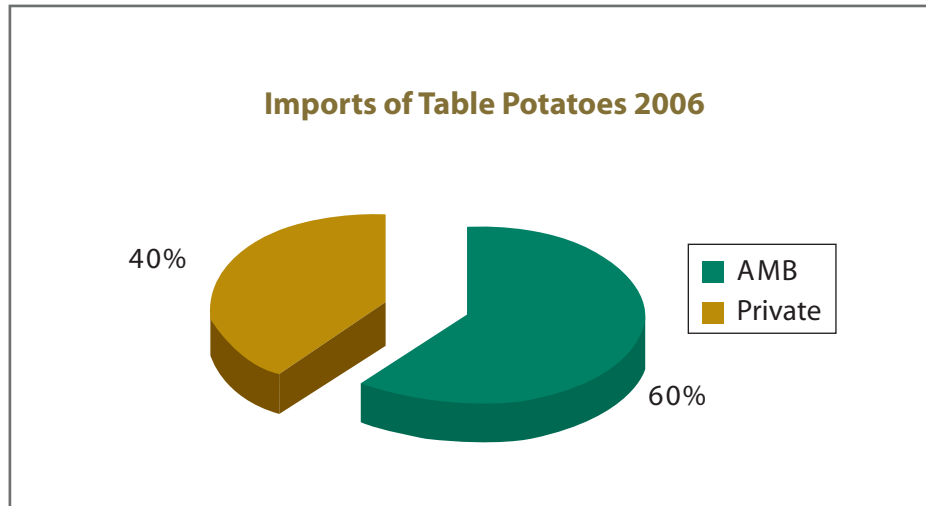
IMPORTS & COST OF IMPORTS

Country of Origin	2006		2005	
	Quantity (Tonne)	Weighted Average C&F/(Tonne)	Quantity (Tonne)	Weighted Average C&F/(Tonne)
Belgium	594	18,982	-	-
Madagascar	145	13,500	65	10,404
Australia	1,258	13,205	2,784	12,590
India	3,388	13,760	3,168	11,410
Pakistan	-	-	78	10,039
S Africa	-	-	401	21,084
Total	5,386	14,198	6,496	

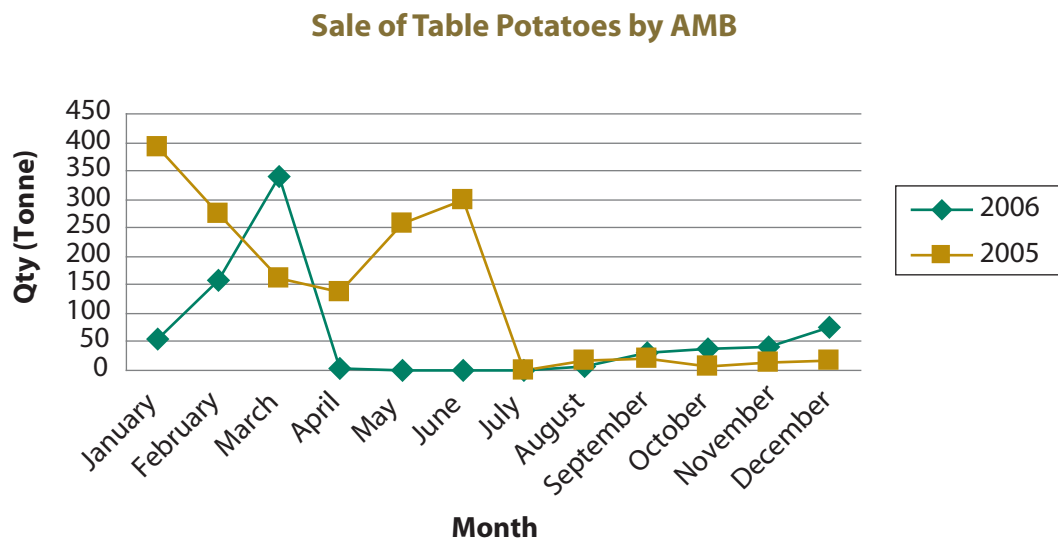
The weighted average cost of imports (C&F) for the AMB was **Rs 14,198/-** per tonne in 2006 as compared to **Rs 12,485/-** per tonne in 2005.

IMPORTS BY AMB V/S PRIVATE IMPORTERS



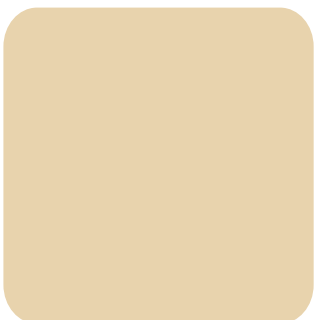
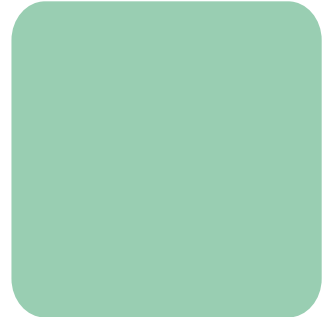
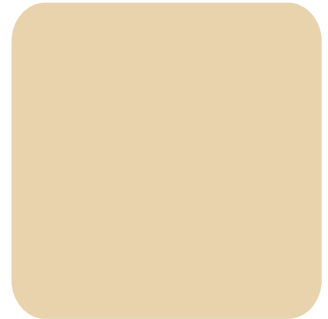
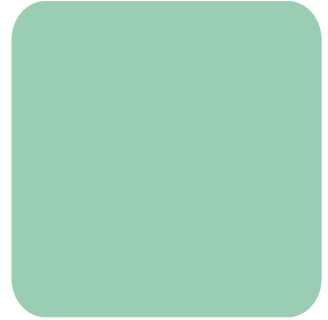
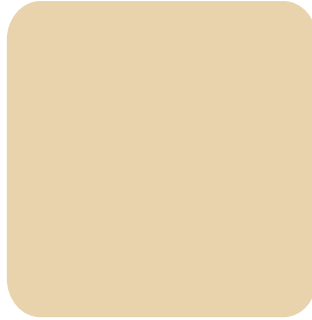
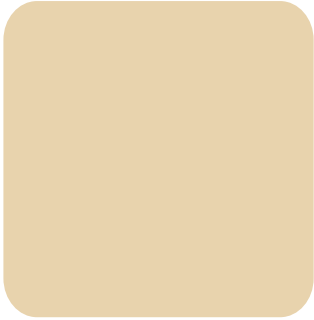


SALE OF TABLE POTATOES BY AMB



Sale of table potatoes at AMB is effected only during period of off season. As soon as local harvest is in full swing, AMB sells only through its retail outlet at Moka and its distribution vans.

ONIONS





Local Production & Imports

2006				2005		
Local Production			Imports	Local Production		Imports
Month	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)
January			1700	0.2	1	1600
February			1100	0.6	5	1198
March			1200			1988
April	0.3	4	1900	0.7	6	1200
May	2.8	28	1000	3	37	925
June	7.3	90	1132.25	7.2	95	1125
July	11.1	152	1099	13.1	180	900
August	13	214	1400	11.1	149	1200
September	15.6	298	50	14.7	302	800
October	54.6	1533	0	65.9	1486	0
November	47.3	1572	0	80.4	1792	0
December	17.8	659	1216	55.8	1584	0
Total	170.2	4550	11797	252.7	5637	10996

In 2006, 170.2 hectares of onions were planted and a total of 4550 tonnes onions produced as compared to 252.7 hectares planted and 5637 tonnes onions produced in 2005.

During period where there was no local production, 11,797 tonnes onions were imported in 2006 as compared to 10,966 tonnes in 2005.

Purchase of Local Onions by AMB.

In 2006, AMB purchased 190.2 tonnes of onions from planters as compared to only 8.2 tonnes in 2005.

IMPORTS & COST OF IMPORTS

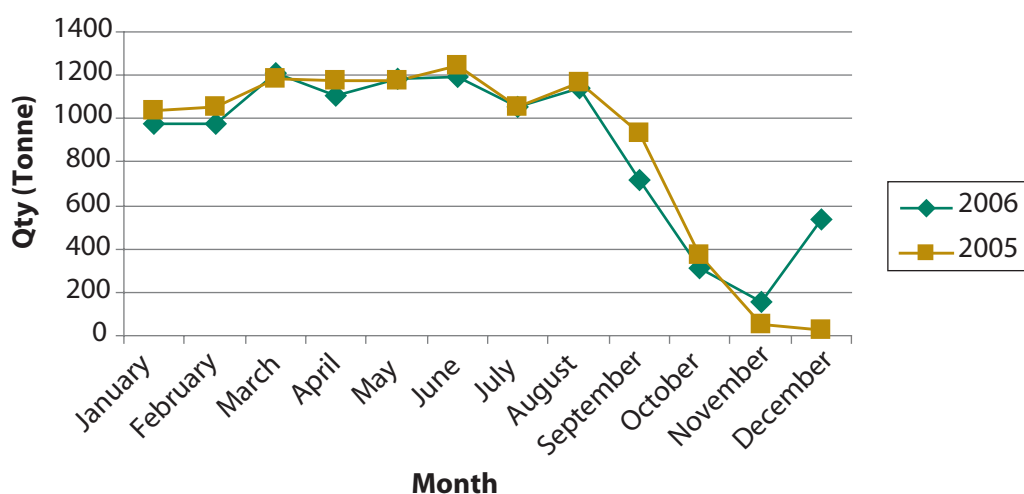
2006			2005	
Country of Origin	Quantity Imported (Tonne)	Average Cost C&F Rs/Tonne	Quantity Imported (Tonne)	Average Cost C&F Rs/Tonne
India	11,797	8,677	10,736	8,555
Pakistan			260	9,289
Total	11,797	8,677	10,996	8,572

Rodrigues Onions

The AMB continued to purchase the total production of onions from Rodrigues at guaranteed producer price in line with the objective to support its agricultural sector. In 2006, 187.5 tonnes were purchased as compared to 139.8 tonnes in 2005.

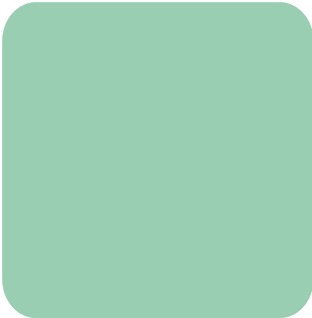
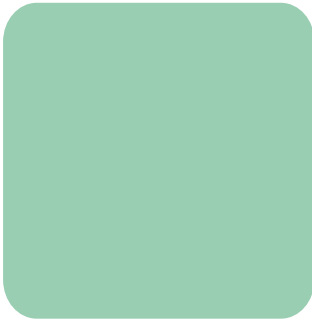
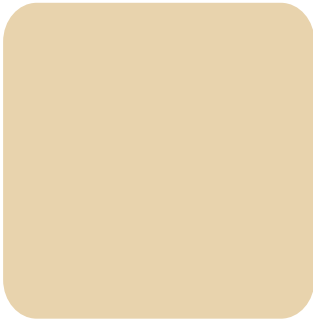
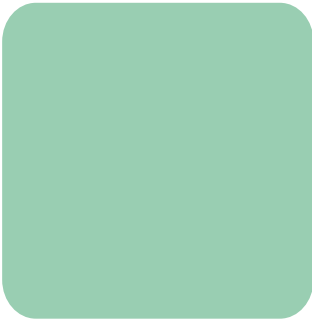
SALE OF ONION

Sale of onions by AMB



The sales trend of onions at AMB followed a more or less similar trend in both 2005 and 2006. The sales were around 1200 tonnes per month from March to June/July (period where there is no local production). However, the sales at AMB started on a downward trend as from August till December as most of the planters procure their onions directly from planters as local harvest being in full swing.

GARLIC



AMB continued to ensure regular supply of garlic on the local market through imports since local production remained negligible.

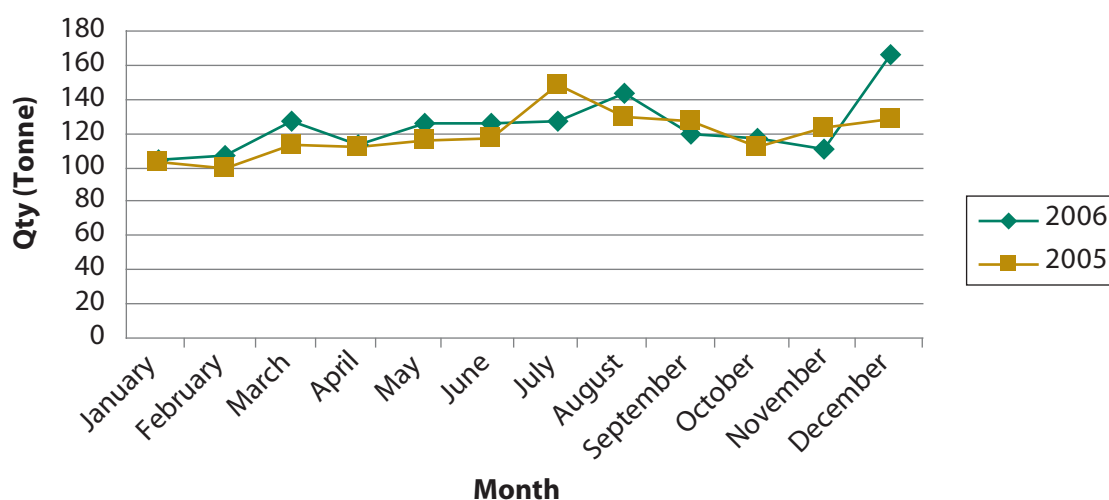
Local production of garlic was only 61 tonnes in 2006 and 93 tonnes in 2005. Imports of garlic was 1563.4 tonnes in 2006 whilst in 2005 the quantity imported was 1329.5 tonnes.

Local Production & Imports of Garlic

Month	2006			2005		
	Local Production		Import	Local Production		Imports
	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)
January			84			0
February			168			168
March	0.3	2	84			0
April			112			140
May			112			112
June			140			112
July	0.6	4	84	0.3	2	168
August	0.6	5	224	0.6	4	168
September	1.5	14	84	5.6	46	168
October	3.4	26	253	3.9	29	112
November	1.3	10	0	1.3	8	112
December			336	0.6	4	84
Total	7.7	61	1681	12.3	93	1344

SALE OF GARLIC

Sale of garlic by AMB



The sales of garlic varied in the range of 100 to 140 tonnes per months for both 2005 and 2006 except for a peak of 160 tonnes in December 2006.

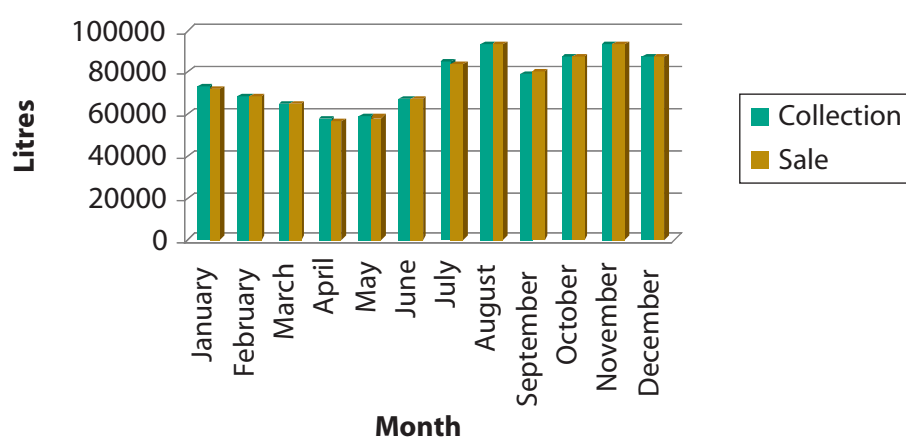


MILK MARKETING SCHEME

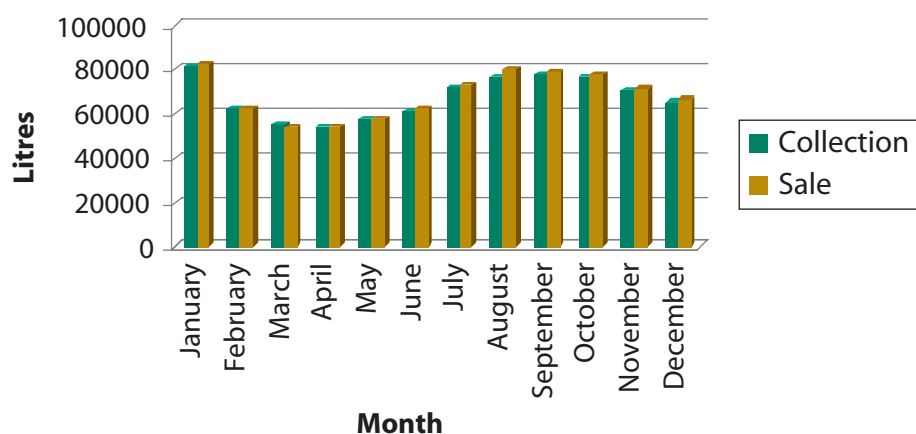
In line with its objective to encourage local production of fresh milk in Mauritius, AMB continued to run the Milk Marketing Scheme. The Scheme consists of collecting raw milk at farm gate, pasteurizing, packing and distributing fresh milk throughout the island.

Collection and Sale of Milk

Collection / Sales of Milk - 2005



Collection / Sales of Milk - 2006



Prices

The cowkeepers are guaranteed a remunerative price for milk collected at farmgate. In fact, fresh milk was purchased from cowkeepers at a farmgate price of Rs 9.40 per litre and the retail price was Rs 14.00 per litre.

OTHER CONTROLLED PRODUCTS

CARDAMONS

Origin	Imports		Local Purchase	
	2006	2005	2006	2005
	Quantity (kg)		Quantity (kg)	
	6089.5	5005	0	0
Total	6089.5	5005	0	0

TURMERIC

Product	Origin	2006	2005
		Quantity (Tonne)	
Turmeric Powder	India	141.7	211.6
Turmeric Finger	India	50.5	83.8



PEELED CANNED TOMATOES

AMB continued to procure canned tomatoes to supply the local market in period of shortage of fresh tomatoes, especially following natural calamities like cyclones, droughts.

In 2005, AMB imported some 273,077 tins (400 gms) of peeled canned tomatoes of Italy origin. However, in 2006 no import was effected as there was sufficient stock.

GLASS JARS

In line with its objective to support the local agro-processing industry, AMB continued to import glass jars of various dimensions for sale at competitive prices.

In 2005, AMB imported 379,306 units while in 2006 only 59,988 units were imported.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2005



REPORT OF THE DIRECTOR OF AUDIT TO THE CHAIRPERSON OF THE AGRICULTURAL MARKETING BOARD



I have audited the accompanying balance sheet of the Agricultural Marketing Board as of 31 December 2005, and the related statements of income, and cash flows for the year then ended. These financial statements are the responsibility of the board. My responsibility is to express an opinion on these financial based on my audit.

I conducted my audit in accordance with International Standards on Auditing. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Audit Opinion

In my opinion, the Financial Statements give a true and fair view of the financial position of the Agricultural Marketing Board as of 31 December 2005, and of the results of its operations and its cash flows for the year in accordance with Generally Accepted Accounting Principles (GAAP) and comply with the Statutory Bodies (Accounts and Audit) Act 1972.

(R. JUGURNATH)
Director of Audit

National Audit Office
14th Floor
Air Mauritius Centre
Port Louis

20 February 2007



BALANCE SHEET AS AT 31 DECEMBER 2005

	Note	<u>2005</u> Rs	<u>2005</u> Rs	<u>2004</u> Rs	<u>2004</u> Rs
FIXED ASSETS	3		230,503,378		236,678,992
INVESTMENTS (Sinking Fund)	4		11,878,496		11,114,766
CURRENT ASSETS					
Stock	6	55,830,981		67,634,066	
Trade and other receivables	7	11,691,386		9,192,628	
Investments		14,377		110,180	
Cash and bank balances	8	741,581		437,856	
Medical Assistance Fund Savings Account	4	2,027,766		1,797,161	
		<u>70,306,091</u>		<u>79,171,891</u>	
CURRENT LIABILITIES					
Trade and other payables	9	32,992,734		29,353,983	
Bank Overdrafts		60,330,665		41,287,470	
		<u>93,323,399</u>		<u>70,641,453</u>	
NET CURRENT ASSETS			<u>(23,017,308)</u>		<u>8,530,438</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			219,364,566		256,324,196
LONG -TERM LIABILITIES	10		51,958,777		55,551,639
NET ASSETS			<u>167,405,789</u>		<u>200,772,557</u>
FINANCED BY CAPITAL & RESERVES					
Capital Grant	11	32,724,000		36,565,000	
Medical Assistance Fund		2,027,766		1,797,161	
Trading Equalisation Reserve	12	(34,201,953)		(4,445,579)	
Renovation Reserve	13	166,855,976		166,855,975	
		<u>167,405,789</u>		<u>200,772,557</u>	

Approved by the Board on 12th April 2006

Chairman  General Manager 

The Notes on pages 34 to 42 form part of these Accounts.

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005



	NOTES	<u>2005</u> Rs	<u>2004</u> Rs
Income	14	53,127,394	59,289,869
Operating Expenditure	15	(102,583,251)	(96,022,756)
Operating Loss		(49,455,857)	(36,732,887)
Gain on Exchange		2,057,233	(5,010,442)
Other Income	16	19,465,250	15,059,990
Net Loss for the period before Exceptional Item		(27,933,374)	(26,683,339)
Exceptional Items	17	1,823,000	
Net Loss for the period after Exceptional Items		(29,756,374)	(26,683,339)
Trading Equalisation Reserve brought forward		(4,445,579)	22,237,760
Trading Equalisation Reserve carried forward		(34,201,953)	(4,445,579)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	2005 RS	2005 RS	2004 RS	2004 RS
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Loss	(29,756,374)		(26,683,339)	
Adjustments for :				
Depreciation	27,046,984		24,786,010	
(Over) / Under Depreciation	16,836		(17,231)	
Grant amortised	(3,841,000)		(3,841,000)	
Foreign Exchange Loss/(Gain)	(2,057,233)		(5,010,442)	
Interest Income	(715,224)		(1,504,060)	
Interest Expense	5,031,223		2,234,519	
Loss/(Profit) on sales of fixed assets	(713,650)		(169,564)	
Operating Surplus/(Deficit) Before Working Capital Changes	4,988,438		(184,223)	
(Increase) / Decrease in Trade & Other Receivables	(2,498,758)		2,244,762	
(Increase) / Decrease in Stock	11,803,085		(9,349,150)	
Increase / (Decrease) in Trade & Other Payables	3,826,179		(22,958,368)	
Cash (Outflow)/Inflow from Operations	8,142,068		(30,246,978)	
Interest paid	(5,121,166)		(2,232,091)	
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		3,020,902		(32,479,069)
Cash flow from Investing Activities:				
Purchase of Fixed Assets	(21,005,037)		(9,023,312)	
Over Capitalisation			222,117	
Sinking Fund Investment	(207,385)		(207,385)	
Proceeds from sale of fixed assets	830,480		175,950	
Interest Received	158,880		3,692,633	
Net Cash used in Investing Activities		(20,223,062)		(5,139,997)
Cash Flow from financing activities :				
Payment on Government Loan		(1,633,112)		(1,815,669)
Net Decrease in cash & cash equivalent		(18,835,272)		(39,434,735)
Cash & Cash Equivalent at Beginning of Period		(40,739,434)		(1,304,699)
Cash & Cash Equivalent At End of Period		(59,574,706)		(40,739,434)

VALUE ADDED STATEMENT



	<u>2005</u>		<u>2004</u>	
	Rs (000)	%	Rs (000)	%
VALUE CREATED				
Income	412,089		392,900	
Less Bought in Materials & Services	358,891		358,633	
	53,199	100	34,267	100
Value Distributed				
To Remunerate Employees for their Services	37,164	70	35,600	104
To Providers of Finance	5,031	9	2,235	7
	42,195	79	37,834	110
Value Retained / (Deficit)				
To Maintain and Develop Operations	11,004	21	(3,567)	(10)
	53,199	100	34,267	100

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ENDED 31 DECEMBER 2005

1. Principal Activities

The Agricultural Marketing Board (AMB), a body corporate, was established in 1963 to serve the purpose described in the Mauritius Agricultural Marketing Act 1963.

The AMB deals with purchases and sales, imports and exports, marketing and storage of controlled and other products.

It also rents storage space whenever available.

2. Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with generally accepted accounting principles.

(b) Fixed assets and depreciation

Fixed assets are stated at cost. The cost of fixed assets is depreciated in equal instalments over the estimated useful life of the assets.

The annual rates of depreciation are as follows:

	<u>2005</u>
	%
Warehouse and Office building	2.0
Plant and Machinery	10.0
Stores Equipment and Palletisation	12.5
Motor Vehicles	10.0
Motor Car	12.5
Office Equipment	12.5
Fixtures and Fittings	10.0
Computer Equipment	20.0
Tractors and Trailers	10.0
Water Proofing	10.0

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 3 : FIXED ASSETS AS AT 31 DECEMBER 2005

	Building	Plant & Machinery	Stores Equipment & Palletisation	Motor Vehicles	Motor Car	Office Equipment	Furniture & Fittings	Computer Equipment	Waterproofing	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST										
As at 1 January 2005	100,953,943	181,415,691	30,360,965	9,660,097	2,665,242	2,689,911	477,267	3,703,237	2,777,970	334,704,323
Additions	3,238,903	6,119,238	6,927,530			426,712	42,344	4,250,310		21,005,037
Disposal	-		(248,888)	(1,802,740)	(166,215)	-				(2,217,843)
Over Capitalisation										-
As at 31 December 2005	104,192,846	187,534,929	37,039,608	7,857,357	2,499,027	3,116,623	519,611	7,953,547	2,777,970	353,491,517
PROVISION FOR DEPN.										
As at 1 January 2005	19,048,818	47,565,179	20,454,737	3,236,654	1,202,389	2,136,410	181,381	2,810,780	1,388,985	98,025,331
Disposal		-	(248,266)	(1,686,531)	(166,215)	-				(2,101,012)
(Over) / Under		16,836				-		-		16,836
Depreciation	2,083,857	18,620,863	3,500,174	760,736	312,378	205,691	51,961	1,233,527	277,797	27,046,984
Charge for the period										
As at 31 December 2005	21,132,675	66,202,878	23,706,646	2,310,859	1,348,552	2,342,101	233,342	4,044,307	1,666,782	122,988,139
NET BOOK VALUE										
As at 31 December 2005	83,060,171	121,332,051	13,332,962	5,546,498	1,150,475	774,522	286,269	3,909,240	1,111,188	230,503,378
As at 31 December 2004	81,905,125	133,850,512	9,906,228	6,423,443	1,462,853	553,501	295,886	892,457	1,388,985	236,678,992



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ENDED 31 DECEMBER 2005

4. Specific Fund Investment

(a) Sinking Fund

This fund is in respect of a loan of Rs. 20,738,537 due to the Government of Mauritius which is repayable by way of a contribution of one percent thereof, together with interest accruing thereon, over forty years to a sinking fund kept by the Accountant General.

(b) Medical Assistance Fund

This fund is made up of contributions by the Board and its employees and of interest accruing on the Saving Account. This Fund amounted to Rs 2,027,766 as at 31 December 2005 and Rs 1,797,161 as at 31 December 2004.

5. Pension Fund

SICOM Ltd is managing a pension fund made up of contributions by the Board and of net income earned. The fund amounted to Rs 58,858,156 as at 31 December 2005 and Rs 47,090,324 as at 31 December 2004. The actuarial report of 1999 showed that the actuarial value of liabilities exceeds the value of the assets by Rs 13.5 million on increasing pension basis (5% per annum). Consequently the pension contribution was increased from 18% to 24% of the monthly salary as from 1 July 2001.

6. Stocks

	<u>2005</u>	<u>2004</u>
	Rs	Rs
Agricultural products	45,847,140	59,794,265
Spare parts, stationery, plastic sheets & leno bags	9,983,841	7,839,801
	<u>55,830,981</u>	<u>67,634,066</u>

Stocks are valued at lower of cost and net realisable value.

7. Trade & other Receivables

	<u>2005</u>	<u>2004</u>
	Rs	Rs
Trade receivables	7,823,031	6,339,454
Loan to Employees	1,258,952	1,946,224
Prepayments	2,609,403	906,950
	<u>11,691,386</u>	<u>9,192,628</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ENDED 31 DECEMBER 2005



8. Cash & Bank Balances

	<u>2005</u> Rs	<u>2004</u> Rs
Cash in hand	75,474	131,471
Cash at Bank	<u>666,107</u>	<u>306,385</u>
	<u>741,581</u>	<u>437,856</u>

9. Trade & other Payables

	<u>2005</u> Rs	<u>2004</u> Rs
Amount falling due within one year		
Trade payables	9,651,432	11,776,575
Other payables	167,148	67,303
Deposit on Seeds & Others	4,668,551	966,969
Loan payable within 1 year	1,643,170	1,740,655
Accruals	<u>14,960,426</u>	<u>12,787,924</u>
	<u>31,090,727</u>	<u>27,339,426</u>
Amount falling due after more than one year		
Provision for passage benefit	1,902,007	2,014,557
	<u>32,992,734</u>	<u>29,353,983</u>

10. Loans

	<u>2005</u> EURO	<u>2005</u> Rs	<u>2004</u> EURO	<u>2004</u> Rs
In Respect of :				
Buildings- Note (a)	-	20,738,538	-	20,738,538
Onion & Seed Stores- Note (b)	895,998	32,863,409	940,798	36,553,756
	<u>895,998</u>	<u>53,601,947</u>	<u>940,798</u>	<u>57,292,294</u>
Loan payable within 1 year	<u>44,800</u>	<u>1,643,170</u>	<u>44,800</u>	<u>1,740,655</u>
Loan payable within 2-5 years	179,200	6,572,680	179,200	6,962,618
Loan payable within 6-10 years	223,999	8,215,850	223,999	8,703,273
Loan payable more than 10 years	447,999	37,170,247	447,999	39,885,748
Long Terms Loans	<u>851,198</u>	<u>51,958,777</u>	<u>851,198</u>	<u>55,551,639</u>
Rate EURO/Rs.	<u>36.678</u>		<u>38.854</u>	

Note (a)- 4% Building Loans repayable by way of 1 % annual contribution over 40 years to a sinking fund payable on 31 December each year.

Note (b)- 1% Onion and Seed Stores Loans repayable by 60 half yearly instalments as from 15 May 1996.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ENDED 31 DECEMBER 2005

11. Capital Grant

Capital Grant, received by way of equipment and cash, are capitalised under fixed assets and the value of the equipment are treated as deferred revenue, a portion equivalent to the estimated annual use being released to the Income and Expenditure Account every year.

12. Trading Equalisation reserve

	<u>2005</u> Rs	<u>2004</u> Rs
Trading Equalisation Reserve brought forward	(4,445,579)	22,237,760
Net loss for the period	<u>(29,756,374)</u>	<u>(26,683,339)</u>
Trading Equalisation Reserve carried forward	<u>(34,201,953)</u>	<u>(4,445,579)</u>

13. Renovation Reserve

	<u>Re-stated Amount</u> Rs
Trading Equalisation Reserve	149,466,981
Renovation Reserve	<u>17,388,994</u>
	<u>166,855,975</u>

14. Income

	<u>2005</u> Rs	<u>2005</u> Rs	<u>2004</u> Rs	<u>2004</u> Rs
Sales		392,623,951		377,840,184
Less: Cost of Sales				
Opening Stock	59,794,265		53,106,678	
Purchases	325,549,432		325,237,902	
Closing Stock	<u>(45,847,140)</u>		<u>(59,794,265)</u>	
		339,496,557		318,550,315
	<u>53,127,394</u>		<u>59,289,869</u>	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ENDED 31 DECEMBER 2005



15. Operating Expenditure

	<u>2005</u>	<u>2004</u>
	<u>Rs</u>	<u>Rs</u>
Storage Costs (Appendix 1)	54,702,954	55,018,022
Administrative expenses (Appendix 2)	15,802,090	13,984,205
Depreciation (Note 3)	27,046,984	24,786,010
Financial charges (Appendix 3)	5,031,223	2,234,519
	<u>102,583,251</u>	<u>96,022,756</u>

16. Other Income

	<u>2005</u>	<u>2004</u>
	<u>Rs</u>	<u>Rs</u>
Cess Received	735,001	657,355
Storage Rent Receivable	8,793,440	7,577,185
Sundry Income	9,221,585	5,321,390
Interest Receivable (Appendix 5)	715,224	1,504,060
	<u>19,465,250</u>	<u>15,059,990</u>

17. Exceptional Item

	<u>2005</u>	<u>2004</u>
	<u>Rs</u>	<u>Rs</u>
	1,823,000	-

This relates to refund made in connection with Late Blight to Potato Growers.

APPENDIX 1

STORAGE COSTS

ITEMS	<u>2005</u> Rs	<u>2004</u> Rs
Salaries & Wages, Overtime & Allowances	26,077,059	25,417,031
Water & Electricity	22,904,377	25,493,604
Repairs & Maintenance & Insurance	4,490,797	3,090,388
General Expenses - Store	733,121	517,312
Provision for Leave Passages	497,601	499,687
	<u>54,702,955</u>	<u>55,018,022</u>

APPENDIX 2

ADMINISTRATIVE EXPENSES

ITEMS	<u>2005</u> Rs	<u>2004</u> Rs
Salaries & Allowances	10,345,535	9,465,373
Overseas travelling	537,351	375,741
Motor vehicle running expenses	1,401,874	1,089,184
Printing & Stationery, Advertising, Postage & Telephone	1,394,594	1,483,099
Legal & Professional	648,900	221,100
Audit fee	90,000	60,000
General expenses	857,042	771,836
Board members fees	266,442	283,395
Rent of Leasehold land	16,620	16,620
Provision for leave passages	243,732	217,857
Increase in Provision for Bad Debts		-
	<u>15,802,090</u>	<u>13,984,205</u>



APPENDIX 3

FINANCIAL CHARGES

Interest on long term loan from Government of Mauritius and EDF
Interest on bank overdraft

<u>2005</u>	<u>2004</u>
Rs	Rs
1,163,945	1,177,707
3,867,278	1,056,812
<u>5,031,223</u>	<u>2,234,519</u>

APPENDIX 4

FOREIGN CURRENCIES

Transaction in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated using the rate of exchange ruling at the balance sheet date and gains or losses on transaction are transferred to the Income and Expenditure Account. A gain on exchange amounting to Rs 2,057,233 was credited (compared to a loss of Rs 5,010,442 in 2004) to the Income and Expenditure Account.

APPENDIX 5

INTEREST

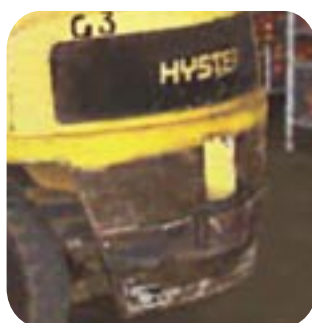
Interest received on credit sales
Interest on Sinking Fund Investment
Interest on Deposit Account

<u>2005</u>	<u>2004</u>
Rs	Rs
154,683	173,504
556,344	520,027
4,197	810,529
<u>715,224</u>	<u>1,504,060</u>



	2005	2004	2003	2002	2001
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
A. Income and Expenditure					
Income	53,127	59,290	71,960	78,008	81,416
Other Income	19,465	15,060	19,304	26,848	23,854
	72,593	74,350	91,263	104,856	105,270
Grant	3,841	3,841	3,841	3,841	3,841
Operating Surplus / (Deficit)	(49,456)	(36,733)	(11,885)	21,173	27,819
Net Surplus / (Deficit)	(29,756)	(26,683)	4,849	43,862	50,970
B. Balance Sheet					
Fixed Assets	230,503	236,679	252,653	84,043	87,958
Investment	11,878	11,115	10,387	9,695	9,035
Net Current Assets	(23,017)	8,530	20,392	190,227	144,212
Long Term Loans	51,959	55,552	52,357	51,169	48,541
Trading and Equalisation Reserves	(34,202)	(4,446)	22,238	169,856	125,994
Capital Grant	32,724	36,565	40,406	44,247	48,088
C. Cash Flow Statement					
Cash Inflow / (Outflow) from Operations	8,142	(30,247)	98,633	(6,874)	25,438
Capital Expenditure	21,005	9,023	193,804	4,713	7,725
Loan Repaid	1,633	1,816	1,466	1,283	1,165
			%		
D. Financial Indicators					
Operating Surplus / (Loss) Margin	(12.6)	(9.7)	(3.2)	6.0	8.4
Return on Net Assets	(17.8)	(13.3)	2.1	18.8	26.5
Return on Fixed Assets	(12.9)	(11.3)	1.9	52.2	57.9
E. Productivity and Employee Data					
Average Number of Employees	182	184	186	178	185
Value Added per Employee	292	289	295	429	335
Ratio of Value added to Employment Cost	1.43	0.96	1.71	2.63	2.00
Ratio of Employment Cost to Total Income	0.51	0.48	0.35	0.28	0.30

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2006



REPORT OF THE DIRECTOR OF AUDIT TO THE CHAIRPERSON OF THE AGRICULTURAL MARKETING BOARD

I have audited the accompanying balance sheet of the Agricultural Marketing Board (AMB) as of 31 December 2006, and the related statements of income, and cash flows for the year then ended. These financial statements are the responsibility of the Board. My responsibility is to express an opinion on these financial based on my audit.


I conducted my audit in accordance with International Standards on Auditing. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Audit Opinion

In my opinion, the attached Financial Statements give a true and fair view of the financial position of the Agricultural Marketing Board as of 31 December 2006, and of the results of its operations and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles (GAAP) and comply with the Statutory Bodies (Accounts and Audit) Act 1972.

Emphasis of matter

Without qualifying my opinion, I draw attention to the fact that substantial deficits have been incurred by the AMB since the year 2003 and bank overdraft has reached some Rs 85 million as at 31 December 2006. There is need for the AMB to closely monitor its financial position.



(R. JUGURNATH)
Director of Audit

National Audit Office
14th Floor
Air Mauritius Centre
Port Louis

10 March 2008

BALANCE SHEET AS AT 31 DECEMBER 2006



	Notes	<u>2006</u>		<u>2005 (Re-stated)</u>	
		Rs	Rs	Rs	Rs
FIXED ASSETS	3		208,890,349		230,503,378
INVESTMENTS	4		12,680,417		11,878,496
CURRENT ASSETS					
Stock	6	62,599,637		55,830,981	
Trade and other receivables	7	13,952,768		11,691,386	
Cash and bank balances	8	74,933		755,958	
Medical Assistance Balances	4	2,212,161		2,027,766	
		<u>78,839,499</u>		<u>70,306,091</u>	
CURRENT LIABILITIES					
Trade and other payables	9	30,925,899		32,992,734	
Bank Overdrafts		85,175,632		60,330,665	
		<u>116,101,531</u>		<u>93,323,399</u>	
NET CURRENT ASSETS			<u>(37,262,032)</u>		<u>(23,017,308)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			184,308,734		219,364,566
LONG -TERM LIABILITIES	10		57,226,439		51,958,777
NET ASSETS			<u>127,082,295</u>		<u>167,405,789</u>
FINANCED BY CAPITAL & RESERVES					
Capital Grant	11	28,883,000		32,724,000	
Medical Assistance Fund	4	2,212,161		2,027,766	
Trading Equalisation Reserve	12 (a)	(15,873,114)		7,044,843	
Renovation Reserve	12 (b)	111,860,248		125,609,180	
		<u>127,082,295</u>		<u>167,405,789</u>	

Approved by the Board on 15th February 2008

Chairman General Manager

The Notes on pages 48 to 56 form part of these Accounts.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

		<u>2006</u>	<u>2005</u> (Re-stated)
	NOTES	Rs	Rs
Revenue		398,518,314	392,623,951
Cost of Sales	13	(341,298,048)	(339,496,557)
Trading Profit		57,220,266	53,127,394
Operating Expenditure	14	(106,351,384)	(102,583,251)
Operating Loss		(49,131,118)	(49,455,857)
(Loss) / Gain on Exchange		(7,519,012)	2,057,233
Other Income	15	33,732,173	33,214,182
Net Loss for the period before Exceptional Item		(22,917,957)	(14,184,442)
Exceptional item	16	(1,823,000)	(1,823,000)
Net Loss for the period after Exceptional Item		(22,917,957)	(16,007,442)
Trading Equalisation Reserve brought forward		7,044,843	23,052,285
Trading Equalisation Reserve carried forward		(15,873,114)	7,044,843

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006



	<u>2006</u>		<u>2005 (Re-stated)</u>	
	RS	RS	RS	RS
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Loss	(22,917,957)		(16,007,442)	
Adjustments for :				
Depreciation	27,697,590		27,046,984	
(Over) / Under Depreciation	(1,911)		16,836	
Grant amortised	(3,841,000)		(3,841,000)	
Renovation Reserve amortised	(13,748,932)		(13,748,932)	
Foreign Exchange Loss/(Gain)	7,519,012		(2,057,233)	
Interest Income	(937,933)		(715,224)	
Interest Expense	6,453,984		5,031,223	
Loss/(Profit)on sales of fixed assets	(72,216)		(713,650)	
Operating Surplus/(Deficit) Before Working Capital Changes	150,637		(4,988,438)	
Increase in Trade & Other Receivables	(2,261,382)		(2,498,758)	
(Increase) / Decrease in Stock	(6,768,656)		11,803,085	
(Decrease) / Increase in Trade & Other Payables	(2,078,343)		3,826,179	
Cash (Outflow) / Inflow from Operations	(10,957,743)		8,142,068	
Interest paid	(6,447,059)		(5,121,166)	
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES		(17,404,803)		3,020,902
Cash flow from Investing Activities :				
Purchase of Fixed Assets	(8,066,536)		(21,005,037)	
Sinking Fund Investment	(207,385)		(207,385)	
Proceeds from sale of fixed assets	1,676,750		830,480	
Interest Received	343,397		158,880	
Net Cash used in Investing Activities		(6,253,774)		(20,223,062)
Cash Flow from financing activities :				
Payment on Government Loan		(1,867,416)		(1,633,112)
Net Decrease in cash & cash equivalent		(25,525,993)		(18,835,272)
Cash & Cash Equivalent at Beginning of Period		(59,574,706)		(40,739,434)
Cash & Cash Equivalent At End of Period		(85,100,699)		(59,574,706)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ENDED 31 DECEMBER 2006

1. Principal Activities

The Agricultural Marketing Board (AMB), a body corporate, was established in 1963 to serve the purpose described in The Mauritius Agricultural Marketing Act 1963.

The AMB deals with purchases and sales, imports and exports, marketing and storage of controlled and other products. It also rents storage space whenever available.

2. Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with generally accepted accounting principles.

(b) Fixed assets and depreciation

Fixed assets are stated at cost. The cost of fixed assets is depreciated in equal instalments over the estimated useful life of the assets.

The annual rates of depreciation are as follows:

	<u>2006</u>
	%
Warehouse and Office building	2.0
Plant and Machinery	10.0
Stores Equipment and Palletisation	12.5
Motor Vehicles	10.0
Motor Car	12.5
Office Equipment	12.5
Fixtures and Fittings	10.0
Computer Equipment	20.0
Tractors and Trailers	10.0
Water Proofing	10.0

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006
NOTE 3 : FIXED ASSETS AS AT 31 DECEMBER 2006

	Building	Plant & Machinery	Stores Equipment & Palletisation	Motor Vehicles	Motor Car	Office Equipment	Furniture & Fittings	Computer Equipment	Waterproofing	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST										
As at 1 January 2006	104,192,846	187,534,929	37,039,608	7,857,357	2,499,027	3,116,623	519,611	7,953,547	2,777,970	353,491,518
Additions		100,000	5,679,717		940,000	539,049	421,636	386,135		8,066,537
Disposal			(853,675)		(2,585,675)	(192,186)				(3,631,536)
(Over)/Under Capitalisation	(325,304)	(54,048)								(379,352)
As at 31 December 2006	103,867,542	187,580,881	41,865,650	7,857,357	853,352	3,463,486	941,247	8,339,682	2,777,970	357,547,167
PROVISION FOR DEPN.										
As at 1 January 2006	21,132,674	66,202,877	23,706,646	2,310,859	1,348,552	2,342,101	233,342	4,044,307	1,666,782	122,988,140
Disposal		-	(853,675)		(1,028,545)	(144,780)		-		(2,027,001)
(Over) / Under Depreciation	(6,506)	4,595				-				(1,911)
Charge for the period	2,077,351	18,758,088	4,108,931	760,735	106,669	240,709	94,125	1,273,184	277,797	27,697,589
As at 31 December 2006	23,203,519	84,965,560	26,961,902	3,071,594	426,676	2,438,030	327,467	5,317,491	1,944,579	148,656,818
NET BOOK VALUE										
As at 31 December 2006	80,664,023	102,615,321	14,903,748	4,785,763	426,676	1,025,456	613,780	3,022,191	833,391	208,890,349
As at 31 December 2005	83,060,171	121,332,051	13,332,962	5,546,498	1,150,475	774,522	286,269	3,909,240	1,111,188	230,503,378



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ENDED 31 DECEMBER 2006

4. Specific Fund Investment

(a) Sinking Fund

This fund is in respect of a loan of Rs 20,738,537 due to the Government of Mauritius which is repayable by way of a contribution of one percent thereof, together with interest accruing thereon, over forty years to a sinking fund kept by the Accountant General.

The balance in the sinking fund amounts to Rs 12,680,417 as at 31 December 2006.

(b) Medical Assistance Fund

This fund is made up of contributions by the Board and its employees and of interest accruing on the Saving Account. This Fund amounted to Rs 2,212,161 as at 31 December 2006 and Rs 2,027,766 as at 31 December 2005.

(c) Medical Assistance Balances

	<u>2006</u>	<u>2005</u>
	<u>Rs</u>	<u>Rs</u>
Medical Assistance Deposit Account	1,500,000	-
Medical Assistance Saving Account	712,161	2,027,766
	<u>2,212,161</u>	<u>2,027,766</u>

5. Pension Fund

SICOM Ltd is managing a pension fund made up of contributions by the Board and of net income earned. The fund amounted to Rs 58,974,408 as at 31 December 2006 and Rs 50,858,156 as at 31 December 2005.

The actuarial report of 1999 showed that the actuarial value of liabilities exceeds the value of the assets by Rs 13.5 million on increasing pension basis (5% per annum). Consequently the pension contribution was increased from 18% to 24% of the monthly salary as from 1 July 2001.

6. Stocks

	<u>2006</u>	<u>2005</u>
	<u>Rs</u>	<u>Rs</u>
Agricultural products	54,046,712	45,847,140
Spare parts, stationery, plastic sheets & leno bags	8,552,925	9,983,841
	<u>62,599,637</u>	<u>55,830,981</u>

Stocks are valued at lower of cost and net realisable value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ENDED 31 DECEMBER 2006



7. Trade & other Receivables

	<u>2006</u>	<u>2005</u>
	Rs	Rs
Trade receivables	8,296,728	7,823,031
Loan to Employees	1,915,683	1,258,952
Prepayments	3,740,357	2,609,403
	<u>13,952,768</u>	<u>11,691,386</u>

8. Cash & Bank Balances

	<u>2006</u>	<u>2005</u>
	Rs	Rs
Cash in hand	72,166	75,474
Cash at Bank	-	666,107
Seven Days Notice Saving Account	2,767	14,377
	<u>74,933</u>	<u>755,958</u>

9. Trade & other Payables

	<u>2006</u>	<u>2005</u>
	Rs	Rs
Amount falling due within one year		
Trade payables	8,695,211	9,651,432
Other payables	60,418	167,148
Deposit on Seeds & Others	5,342,032	4,668,551
Loan payable within 1 year	2,027,105	1,643,170
	<u>13,196,891</u>	<u>14,960,426</u>
	29,321,657	31,090,727
Amount falling due after more than one year		
Provision for passage benefit	1,604,242	1,902,007
	<u>30,925,899</u>	<u>32,992,734</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ENDED 31 DECEMBER 2006

10. Loan

	<u>2006</u> EURO	<u>2006</u> Rs	<u>2005</u> EURO	<u>2005</u> Rs
In Respect of :				
Buildings - Note (a)	-	20,738,538	-	20,738,538
Onion & Seed Stores - Note (b)	851,198	38,515,006	895,998	32,863,409
	851,198	59,253,544	895,998	53,601,947
Loan payable within 1 year	44,800	2,027,105	44,800	1,643,170
Loan payable within 2-5 years	179,200	8,108,420	179,200	6,572,680
Loan payable within 6-10 years	223,999	10,135,525	223,999	8,215,850
Loan payable more than 10 years	403,199	38,982,494	447,999	37,170,247
Long Terms Loans	806,398	57,226,439	851,198	51,958,777
Rate EURO/Rs.	45.248		36.678	

Note (a)- 4% Building Loans repayable by way of 1% annual contribution over 40 years to a sinking fund payable on 31 December each year.

Note (b)- 1% Onion and Seed Stores Loans repayable by 60 half yearly instalments as from 15 May 1996.

11. Capital Grant

Capital Grant, received by way of equipment and cash, are capitalised under fixed assets and the value of the equipment are treated as deferred revenue, a portion equivalent to the estimated annual use being released to the Income Statement every year.

12.(a) Trading Equalisation reserve

	<u>2006</u> Rs	<u>2005</u> (Re-stated) Rs
Trading Equalisation Reserve brought forward	7,044,843	23,052,285
Net loss for the period	(22,917,957)	(16,007,442)
Trading Equalisation Reserve carried forward	<u>(15,873,114)</u>	<u>7,044,843</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ENDED 31 DECEMBER 2006



12(b) Renovation Reserve

The renovation reserve of Rs 166,855,975 was created in the year 2003 in the light of the renovation of the cold stores at Moka. A total amount of Rs 36,708,315 was incurred on building, to be amortised over a period of 50 years.

The balance of Rs 130,147,661 was spent on various items of plant and machinery, to be amortised over a period of 10 years.

The amount equivalent to the annual depreciation of these assets had not been taken to the Income Statement in the years 2003 to 2005. Consequently, the renovation reserve had been overstated while the Trading Equalisation reserve had been understated. Both these reserves are being re-stated in the year 2005, as follows:

	Original Amount Rs	Adjustments Rs	Re-stated Amount Rs
Trading Equalisation Reserve	(34,201,953)	41,246,796	7,044,843
Renovation Reserve	166,855,976	41,246,796	125,609,180

13. Cost of Sales

	<u>2006</u> Rs	<u>2005</u> Rs
Opening Stock	45,847,140	59,794,265
Purchases	349,497,620	325,549,432
Closing Stock	(54,046,712)	(45,847,140)
	<u>341,298,048</u>	<u>339,496,557</u>

14. Operating Expenditure

	<u>2006</u> Rs	<u>2005</u> Rs
Storage Costs (Appendix 1)	55,672,173	54,702,954
Administrative expenses (Appendix 2)	16,529,548	15,802,090
Depreciation (Note 3)	27,695,679	27,046,984
Financial charges (Appendix 3)	6,453,984	5,031,223
	<u>106,351,384</u>	<u>102,583,251</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ENDED 31 DECEMBER 2006

15. Other Income

	<u>2006</u>	<u>2005</u> (Re-stated)
	Rs	Rs
Cess Received	847,288	735,001
Storage Rent Receivable	12,148,354	8,793,440
Sundry Income	19,798,598	22,970,517
Interest Receivable (Appendix 5)	937,933	715,224
	<u>33,732,173</u>	<u>33,214,182</u>

The figure of 'sundry income' has been re-stated in 2005 to include an amount of Rs 13,748,932 representing the annual depreciation of the building and plant/equipment of the cold stores in Moka as explained in note 12(b).

16. Exceptional Item

This relates to refund made in connection with Late Blight to Potato Growers.

<u>2006</u>	<u>2005</u>
Rs	Rs
-	1,823,000



APPENDIX 1

STORAGE COSTS

ITEMS	<u>2006</u> Rs	<u>2005</u> Rs
Salaries & Wages, Overtime & Allowances	26,476,821	26,077,059
Water & Electricity	23,952,943	22,904,377
Repairs & Maintenance & Insurance	4,464,805	4,490,797
General Expenses - Store	224,518	733,121
Provision for Leave Passages	553,086	497,601
	<u>55,672,173</u>	<u>54,702,955</u>

APPENDIX 2

ADMINISTRATIVE EXPENSES

ITEMS	<u>2006</u> Rs	<u>2005</u> Rs
Salaries & Allowances	10,288,394	10,345,535
Overseas travelling	602,168	537,351
Motor vehicle running expenses	1,799,868	1,401,874
Printing & Stationery, Advertising, Postage & Telephone	1,592,435	1,394,594
Legal & Professional	501,097	648,900
Audit fee	130,000	90,000
General expenses	1,052,256	857,042
Board members fees	281,397	266,442
Rent of Leasehold land	16,620	16,620
Provision for leave passages	265,313	243,732
	<u>16,529,548</u>	<u>15,802,090</u>

APPENDIX 3

FINANCIAL CHARGES

	<u>2006</u> Rs.	<u>2005</u> Rs.
Interest on long term loan from Government of Mauritius and EDF	1,205,182	1,163,945
Interest on bank overdraft	5,248,802	3,867,278
	<u>6,453,984</u>	<u>5,031,223</u>

APPENDIX 4

FOREIGN CURRENCIES

Transaction in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated using the rate of exchange ruling at the balance sheet date and gains or losses on transaction are transferred to the Income Statement. A loss on exchange amounting to Rs 7,519,012 was debited (compared to a gain of Rs 2,057,233 credited in 2005) to the Income Statement.

APPENDIX 5

INTEREST RECEIVABLE

	<u>2006</u> Rs.	<u>2005</u> Rs.
Interest received on credit sales	343,057	154,683
Interest on Sinking Fund Investment	594,536	556,344
Interest on Deposit Account	340	4,197
	<u>937,933</u>	<u>715,224</u>