

# **AGRICULTURAL** MARKETING BOARD

2007 & 2008 Annual Report





## **OUR MISSION**

To maximize

consumer satisfaction by

providing high quality

and innovative products & services

reliably and cost effectively

## **OUR VISION**

To be
an internationally competitive partner
for
the Agro Industry





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## STATEMENT OF CHAIRMAN

Date: 20 March 2012

The Honourable Satya Veyash FAUGOO Minister of Agro Industry and Food Security Ministry of Agro Industry and Food Security Port Louis

Sir

I have the honour to submit the Annual Report of the Agricultural Marketing Board for the years ended 31st December 2007 and 2008 respectively in accordance with the provision of Section 25 of the Mauritius Agricultural Marketing Act (1963).

Yours faithfully

J. Ramkissoon, G.O.S.K.

Chairman



### CORPORATE GOVERNANCE REPORT

#### The Act

The Agricultural Marketing Board is governed by the Mauritius Agricultural Marketing Act (1963) and it operates under the aegis of the Ministry of Agro Industry and Food Security.

#### The Board

The Board meets at least once a month and consists of:

- a) A Chairman
- b) A representative of the Ministry of Agro Industry and Food Security
- c) A representative of the Ministry of Finance
- d) A representative of the Ministry of Commerce & Industry
- e) The Registrar of Co-operative Societies or his representative
- f) Not more than 7 nor less than 5 other members.

The Chairman is appointed by the Minister and holds office for such term as may be determined by the Minister.

The members of the Board are appointed annually by the Minister and hold office for one year.





#### **BOARD CONSTITUTION - 2007**

#### Chairman

Mr T. Dewoo

#### Vice Chairman

Mrs M. Nathoo – Representative of the Ministry of Agriculture, Food Technology & Natural Resources

#### Ex Officio Members

Mrs S. Joomun-Sairally – Representative of the Ministry of Industry, Commerce & International Trade Mrs P. Rojoa (Mr M. Gunesh – as from August 2007) – Representative of the Ministry of Finance Late Mr P. Sahadew - Representative of the Registrar of Cooperative Societies

#### Independent Members

Dr I. R. Govinden

Mr J. C. Monty

Mr H. Daby

Mr B. Manikam

Mr C. Lokhun

Mr M. Bisesar

Mr S. Banyparsad

#### **BOARD CONSTITUTION - 2008**

#### Chairman

Mr T. Dewoo

#### Vice Chairman

Mrs M. Nathoo – Representative of the Ministry of Agriculture, Food Technology & Natural Resources

#### Ex Officio Members

Mrs S. Joomun-Sairally – Representative of the Ministry of Industry, Commerce & International Trade Mr M. Gunesh - Representative of the Ministry of Finance

Late Mr P. Sahadew - Representative of the Registrar of Cooperative Societies

#### Independent Member

Dr J. R. Govinden

Mr J. C. Monty

Mr H. Daby

Mr B. Manikam

Mr M. Bisesar (up to March 2008)

Mr S. Banyparsad (up to March 2008)

Mr P. Auckle (as from April 2008)

Mr R. Rajcumar (as from April 2008)

Mr M. Wadallee (as from April 2008)





### Sub Committees of the Board

#### SUPPLIES COMMITTEE (2007)

#### Chairperson

Mr T. Dewoo

#### Members

Mrs M. Nathoo – Representative of the Ministry of Agriculture, Food Technology & Natural Resources Mrs S. Joomun-Sairally - Representative of the Ministry of Industry, Commerce & International Trade Late Mr P. Sahadew - Representative of the Registrar of Cooperative Societies Mr J. C. Monty – Independent Member

#### SUPPLIES COMMITTEE (2008)

#### Chairperson

Mr T. Dewoo

#### **Members**

Mrs M. Nathoo – Representative of the Ministry of Agriculture, Food Technology & Natural Resources Mrs S. Joomun-Sairally - Representative of the Ministry of Industry, Commerce & International Trade Late Mr P. Sahadew – Representative of the Registrar of Cooperative Societies (up to May 2008) Mr J. C. Monty – Independent Member (up to May 2008)

Mr P. Auckle – Independent Member (as from June 2008)

Mr M. Gunesh – Representative of the Ministry of Finance (as from June 2008)

#### QUOTA COMMITTEE (2007)

#### Chairperson

Mr T. Dewoo

#### **Members**

Mrs M. Nathoo – Representative of the Ministry of Agriculture, Food Technology & Natural Resources Mrs S. Joomun-Sairally - Representative of the Ministry of Industry, Commerce & International Trade Late Mr P. Sahadew – Representative of the Registrar of Cooperative Societies

Mr J. C. Monty - Independent Member

Mr H. Daby - Independent Member

#### QUOTA COMMITTEE (2008)

#### Chairperson

Mr T. Dewoo (Up to September 2008) Mr M. Gunesh (As from October 2008)

#### Members

Mrs M. Nathoo – Representative of the Ministry of Agriculture, Food Technology & Natural Resources Mrs S. Joomun-Sairally - Representative of the Ministry of Industry, Commerce & International Trade Late Mr P. Sahadew – Representative of the Registrar of Cooperative Societies (Up to May 2008) Mr K. Khelawon – Representative of the Registrar of Cooperative Societies (As from October 2008) Mr H. Daby – Independent Member

Mr P. Auckle – Independent Member (As from October 2008)

Mr J. C. Monty – Independent Member (Up to May 2008)



#### STAFF COMMITTEE (2007)

#### Chairperson

Mr T. Dewoo

#### Members

Mrs M. Nathoo – Representative of the Ministry of Agriculture, Food Technology & Natural Resources Mrs S. Joomun-Sairally - Representative of the Ministry of Industry, Commerce & International Trade Late Mr P. Sahadew - Representative of the Registrar of Cooperative Societies Mr P. Ramnawaz – General Manager

#### STAFF COMMITTEE (2008)

#### Chairperson

Mr T. Dewoo (Up to June 2008) Mrs S. Joomun-Sairally (as from July 2008)

#### **Members**

Mrs M. Nathoo – Representative of the Ministry of Agriculture, Food Technology & Natural Resources Late Mr P. Sahadew – Representative of the Registrar of Cooperative Societies (up to July 2008) Mr K. Khelawon – Representative of the Registrar of Cooperative Societies (as from July 2008) Mr M. Wadallee – Independent Member Mr P. Ramnawaz – General Manager

#### FINANCE & TENDER COMMITTEE (2007)

#### Chairperson

Mrs M. Nathoo

#### **Members**

Mrs P. Rojoa – Representative of the Ministry of Finance (up to August 2007) Mrs S. Joomun-Sairally - Representative of the Ministry of Industry, Commerce & International Trade Late Mr P. Sahadew - Representative of the Registrar of Cooperative Societies

#### FINANCE & TENDER COMMITTEE (2008)

#### Chairperson

Mrs M. Nathoo

#### Members

Mr M. Gunesh - Representative of the Ministry of Finance

Mrs S. Joomun-Sairally - Representative of the Ministry of Industry, Commerce & International Trade Late Mr P. Sahadew – Representative of the Registrar of Cooperative Societies (up to July 2008) Mr K. Khelawon – Representative of the Registrar of Cooperative Societies (as from July 2008)







#### OTHER SUB COMMITTEES OF THE BOARD

The Board also set up an Audit Committee and a Corporate Governance Committee. However, neither the Audit nor the Corporate Governance Committee met during the years 2007 and 2008.

#### Sittings of the Board and Sub Committee of Board

	2007	2008
Board Meeting	11	15
Special Board Meeting	10	5
Supplies Committee	13	7
Staff Committee	14	7
Finance & Tender Committee	8	2
Disciplinary Committee	Nil	1
Quota Committee	3	3
Technical Committee	Nil	1
Ad-Hoc Committee	Nil	1
Total	59	42

#### OTHER COMMITTEES

- National Potato Committee
- Onions Committee

#### REMUNERATION OF BOARD MEMBERS - 2007 & 2008

Board Members are remunerated according to recommendations of the Pay Research Bureau (PRB)

occaron perodo (rixp)	2007	2008	
Board Member	ard Member Rs (Net		
Mr T. Dewoo	133,950	157,245	
Mrs M. Nathoo	22,759	11,720	
Mrs S. Joomun-Sairally	19,438	13,296	
Mrs P. Rojoa	4,947	Nil	
Mr M. Gunesh	2,855	8,236	
Late Mr P. Sahadew	17,778	3,568	
Dr J. N. R. Govinden	5,395	5,900	
Mr J. C. Monty	10,607	4,884	
Mr B. Manikam	7,885	8,860	
Mr H. Daby	9,512	8,880	
Mr C. Lokhun	6,225	400	
Mr S. Banyparsad	8,300	2,400	
Mr M. Bisesar	7,470	2,400	
Mr P. Auckle	Nil	6,724	
Mr R. Rajcumar	Nil	8,572	
Mr M. Wadallee	Nil	7,840	
Mr K. Khelawon	Nil	6,140	



#### ADMINISTRATIVE STAFF OF AMB FOR 2007 AND 2008

General Manager	Mr P. Ramnawaz	Dip, Post Graduate Dip (Management)
Administrative Secretary	Mr B. Ramcharan (acting up to August 2008)	BSc (Hons) Economics
	Mr R. Neelayya (as from September 2008)	BSc (Hons) Economics
Accountant	Mr P. Bissessur (acting up to February 2007)	ACCA
	Mrs K. S. Bhunjun (acting up to June 2007)	ACCA (Level 2)
	Mr G. Soneeram (as from July 2007 to June 2008)	CIMA
	Mr A. Rama (as from July 2008)	ACCA
Engineer	Mr A. S. Jeehoo	B. Eng (Mech Eng); MSc (Project Mgt)
IT Officer	Mr P. M. Appavoo (acting up to December 2007)	BSc Software Engineering
	Miss M. Dodla Bhemah (acting up to April 2008)	BSc Business Information Systems
	Miss K. Rawa (as from May 2008)	BSc Information Systems
Head Operations Officer	Mr L. Chundydyal (acting up to mid-November 2008)	
	Mr B. H. Ramdin (acting as from mid-November 2008)	Higher Dip. Business Administration
Internal Auditor	Mr A. Rama (from February 2008 to June 2008)	ACCA
Human Resource Officer	Mr M. Ramdhuny (acting up to December 2007)	Dip. Human Resource Development
	Mr N. A. Hasowa (as from January 2008)	BCom with specialisation in Human Resource Management

#### **PROFESSIONAL SERVICES**

**AUDITOR** The Government Auditor a) b) **BANKERS** State Bank of Mauritius Ltd

Mauritius Commercial Bank Ltd

Bank of Baroda





#### **OPERATIONAL REVIEW**

By virtue of the Mauritius Agricultural Marketing Act (1963), AMB is vested with wide powers in matters relating to the production, storage, import, export and sale of a number of commodities declared as 'Controlled Products' by law.

AMB currently deals in product like ware potatoes, seed potatoes, onions, onion seeds, garlic, turmeric (powder and finger), cardamoms, ginger, glass jars, leno bags, peeled canned tomatoes. During period of shortage of vegetables following natural calamities, AMB also imports vegetables like carrots, cabbages among others to supply the market.

During period of local production, planters of potatoes and onions have the possibility of selling their products to AMB at floor prices. Potatoes and onions are purchased by AMB based on well established specifications.

However, during period of off-season, AMB has recourse to importation to supply the local market. Potatoes and onions are imported only during period where there is no local production so as not to be in unfair competition with the local planting community. As far as other products like garlic, turmeric and cardamoms are concerned, where local production is negligible, import is carried all over the year to ensure regular supply. It is worth noting that, AMB has the sole right to import garlic, turmeric and cardamoms to supply the local market in Mauritius. Besides, the AMB also provides storage facilities at competitive rates to importers, exporters and other operators.

#### STORAGE FACILITIES AT AMB

#### (i) Head Office Moka

AMB operates cold rooms to a total capacity of 8,000 tonnes at its head office, Moka. All the cold rooms use ozone friendly refrigerant. The temperature of the cold rooms goes down to 0 degrees celsius. Depending on the specificities of the products and the time that the products will be stored in cold rooms, the temperature and level of humidity are adjusted / controlled accordingly with a view to optimize on the quality of the products. AMB also provides storage facilities to private operators for the storage of their products at competitive rates.

#### (ii) AMB Cold Store - Airport

AMB also operates a cold store in the compound of the Sir Seewoosagur Ramgoolam International Airport at Plaisance for the benefits of importers and exporters dealing in sensitive products requiring cold chain facilities prior to export, upon arrival and during transit.

The storage capacity at AMB Cold Store – Airport is 1,600 m<sup>3</sup>. The temperature goes down to +2° celsius except for one cold room of capacity 330 m<sup>3</sup> which goes down to -8° celsius. The Airport cold store operates on a 24 hour seven days service.

#### (iii) Trou Fanfaron Fish Cold Store

The Trou Fanfaron Fish Cold Store operates from Monday to Saturday and caters to provide storage facilities to importers / processors of fish and seafood products. Weighing services are also provided to operators of fish and seafood products.

The storage capacity is 350 tonnes and the temperature of the cold room goes down to -35° celsius.



#### AMB Store - Cluny (iv)

AMB also has a cold store – capacity of 2,000 tonnes at Cluny. However, with a view to optimize the cold rooms at AMB, Moka, most of the storage facilities are centralized at Moka. The Cluny Store is being rented to interested parties for storage of products at competitive rate.

#### Other Stores (v)

AMB possesses stores in other regions such as: La Chaumière, Belle Mare, Palmar and Citronelle (Rodrigues). These stores have been put at the disposal of the planting community for the curing / storage of onions after harvest.







#### SEED FOR WARE PRODUCTION LOCAL SEED POTATOES FOR WARE PRODUCTION

Agricultural Marketing Board (AMB) has continued to play a crucial role in the potato 'filière' 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, the AMB continued to provide seed producers a guaranteed price. To make up for the increase in the cost of production, the price at which the AMB purchased seeds from producers was revised from Rs 20,200 per tonne in 2006 to Rs 24,725 per tonne in 2007 and eventually to Rs 31,000 per tonne in 2008.

In 2008, 380.73 tonnes of seeds were produced as compared to 533.58 tonnes in 2007.

Seeds for ware production were sold to planters by the AMB at Rs 33,500 per tonne for both local and imported seed potatoes in 2007 whilst in 2008 the price was Rs 42,400 per tonne for local seeds and Rs 37,500 per tonne for imported seeds.

#### PURCHASE OF LOCAL SEED POTATOES BY AMB

	2008				2007	
	Spunta	Mondial	Total	Spunta	Mondial	Total
PRODUCER			(Ton	ne)		
Beau Plan	81.01	-	81.01	40.74	-	40.74
St Andre	-	-	-	24.72	-	24.72
Belle Vue	69.98	-	69.98	59.64	-	59.64
Labourdonnais	-	-	-	22.70	-	22.70
Mon Desert Alma	53.37	8.86	62.23	95.26	-	95.26
Medine	27.98	-	27.98	74.12	-	74.12
Nouvelle Industrie	96.90	3.16	100.06	159.21	-	159.21
FUEL	-	-	-	28.23	-	28.23
D Dayanand	39.47	4	39.47	-	-	-
Jhurry	-	<u>-</u>	-	28.96	-	28.96
Total	368.71	12.02	380.73	533.58	-	533.58



#### 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 2008 and 2007 seeds for ware production were imported from Australia, Holland and South Africa.

#### COST OF IMPORTED SEED FOR WARE PRODUCTION

Variety	Origin		je Price /Tonne)	Quantity (Tonne)		
		2008	2007	2008	2007	
Spunta	Australia	24,085	24,336	305	190	
Mondial	Australia	30,283	29,868	49	63	
	South Africa	-	23,617	-	103	
Delaware	Australia	28,253	27,734	1,289	<i>7</i> 61	
Others (Trial)	Holland	33,674	-	35	-	
Total		27,668	26,897	1,678	1,117	

The weighted average cost of imported seeds amounted to Rs 26,897 per tonne (C&F) in 2007 whilst to **Rs 27,668 per tonne** (C&F) in 2008.

#### SALES OF POTATO SEEDS FOR WARE PRODUCTION

Producer Groups	2008	2007
TRODUCER OROUIS	(To	nne)
Sugar Estates	882.4	729.8
Y.Farmers	125.8	96.0
MAMCF	505.9	393.5
ADMA	47.6	27.0
SIT	72.0	50.0
OPA	7.2	14.8
Others	362.7	427.4
Total	2,003.6	1738.5



#### SEED FOR SEED PRODUCTION

#### **ALLOCATION OF SEEDS**

In 2008, 215 tonnes of basic seeds were allocated for seed production as compared to 10 tonnes in 2007. Spunta continued to be the most preferred variety by producers.

Variety	2008 (Tonnes)			2008 (Tonnes) 2007 (Tonnes)		
	Local	Local Imported Total		Local	Imported	Total
Spunta	-	215	215	10	-	10
Total	-	215	215	10	-	10

#### **BASIC IMPORTED SEEDS**

Basic seeds were imported from Holland for multiplication.

VARIETY	Origin	Average Cost C&F (Rs / Tonne)		Quantit	y (Tonne)
		2008	2007	2008	2007
Spunta	Holland	35,870	-	125	-
Tot	al	35,870	-	125	-

In 2008, 125 tonnes of basic seeds variety 'Spunta' were imported from Holland for multiplication at Rs 35,870/- per tonne. However, in 2007 basic seeds were not imported. Some 117 tonnes of seed potatoes variety 'Spunta' imported from BGP Australia were planted for seed production.

The selling price to seed producers for both local and imported seeds for multiplication was:

2008: Rs 43,600 / T 2007: Rs 33,500 / T



#### **OTHER SEEDS**

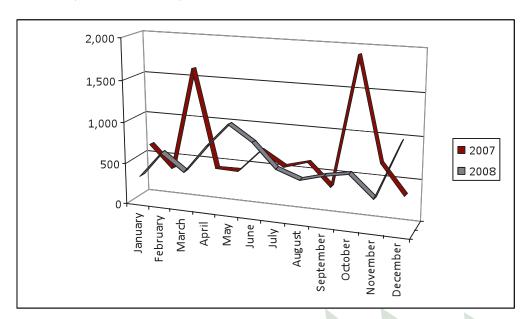
The AMB continued to provide a service to the planting community by ensuring a regular supply of bean seeds and onion seeds which are compatible to the local climatic condition at reasonable prices.

#### **BEAN SEEDS**

CULTIVAR	Quantity (Kg)		
COLITYAR	2008	2007	
Long Tom	8,000	6,000	
Total	8,000	6,000	

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

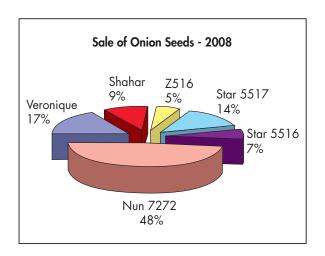


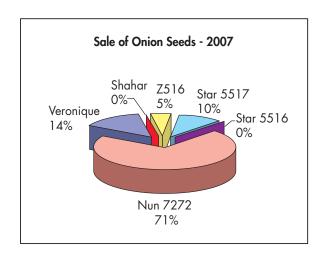


#### **ONION SEEDS**

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 competitive prices.

#### SALE OF ONION SEEDS





Selling Price of Onion Seeds to planters

Variety	2008 Price (Rs / Kg)	2007 Price (Rs / Kg)
Z516	5,860	4,900
Star 5517	9,720	8,300
Star 5516	9,720	-
Nun 7272	14,190	13,290
Veronique	2,800	2,100
Shahar	8,300	-







#### **TABLE POTATOES**

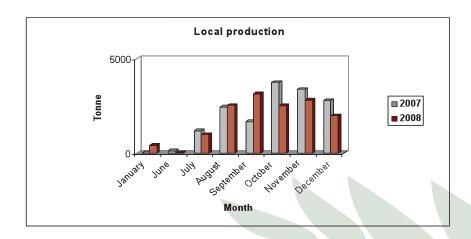
To cater for the total requirement of table potatoes in the country, the market was supplied through local production as well as through imports.

#### **Local Production**

In 2008, 14,417.3 tonnes of table potatoes were produced in Mauritius as compared to 15,367.5 tonnes in 2007.

Month	AREA HARVESTED  MONTH (Hectare)		Production (Tonne)		YIELD / HECTARE (Tonne)	
	2008	2007	2008	2007	2008	2007
January	18.0	0.4	407.4	9.6	22.6	24.0
June	1.9	7.4	34.6	115.5	18.2	15.6
July	48.9	55.7	981.4	1,199.2	20.1	21.5
August	98.4	107.6	2,543.6	2,449.6	25.8	22.8
September	123.6	58.8	3,139.8	1,662.4	25.4	28.3
October	116.0	138.2	2,518.8	3,748.1	21.7	27.1
November	133.2	131.5	2,806.6	3,380.2	21.1	25.7
December	84.7	110.6	1,985.1	2,802.9	23.4	25.3
Total	624.7	610.2	14,417.3	15,367.5	23.1	25.2

Source: AREU





#### 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 arose.

The floor price for purchase of table potatoes was as follows:

2008 : Rs 18,425 / T (ware potatoes from local seeds)

Rs 17,450 / T (ware potatoes from imported seeds)

2007 : Rs 15,300 / T

#### Local purchase of table potatoes by AMB.

In 2008, AMB purchased a total of 2,033.7 tonnes of table potatoes from planters / producer groups as compared to 2,363.7 tonnes in 2007.

#### **IMPORTS**

In both 2008 and 2007 imports of table potatoes were undertaken by both the 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 the AMB.

In 2008, the AMB imported 2,987 tonnes of table potatoes as compared to 4,022 tonnes in 2007. The private importers imported 3,751 tonnes out of a quota of 3,785 tonnes in 2008 and 3,523 tonnes out of a quota of 3,741 tonnes in 2007.

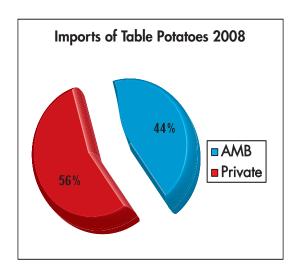
#### **IMPORTS & COST OF IMPORTS**

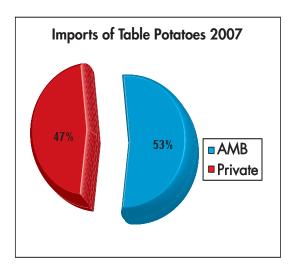
Country	2008		2007		
OF ORIGIN	Quantity (Tonne) Weighted Average (C&F/(Tonne)		Quantity (Tonne) Weighted Average C&F/(Tonn		
South Africa	103	15,102	130	15,649	
India	2,884	13,352	3,892	13,705	
Total	2,987	-	4,022	-	

The weighted average cost of imports (C&F) for the AMB was Rs 13,411 per tonne in 2008 as compared to Rs 13,768 per tonne in 2007.

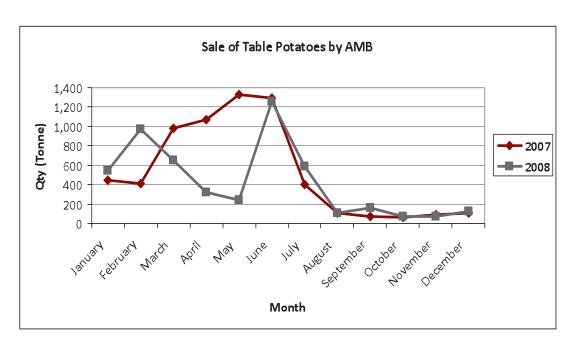


#### IMPORTS BY AMB V/S PRIVATE IMPORTERS





#### 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. Sales at AMB started to fall as from the month of June / July due to local harvest. During local harvest, dealers procure potatoes directly from planters.





#### **ONIONS**

#### **Local Production & Imports**

		2008		2007		
	Local Pro	DUCTION	IMPORTS	rts Local Produc		Imports
Month	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)
January	-	-	1,277	-	-	700
February	-	-	1,439	0.1	0.8	1,950
March	-	-	1,412	-	-	1,150
April	-	-	1,068	0.2	2.1	1,550
May	1.0	14.6	1,385	3.4	51.0	1,225
June	3.3	41.0	1,424	10.8	160.1	2,326
July	12.1	184.0	175	12.3	187.7	350
August	4.6	69.4	797	6.8	92.7	980
September	9.2	162.2	300	9.6	157.2	576
October	91.8	2,253.7	300	102.7	2,353.1	352
November	41.1	1,255.7	-	90.9	2,988.3	-
December	18. <i>7</i>	544.3	150	5.3	194.0	600
Total	181.8	4,524.9	9,727	242.1	6,187	11,759

In 2008, 181.8 hectares of onions were planted and a total of 4,524.9 tonnes onions were produced as compared to 242.1 hectares planted and 6,187 tonnes onions produced in 2007.

AMB imported 9,727 tonnes onions in 2008 as compared to 11,759 tonnes in 2007.

#### Purchase of Local Onions by AMB

In 2008, AMB purchased 258.8 tonnes of onions from planters as compared to 1,307.9 tonnes in 2007 according to specifications set out by AMB.





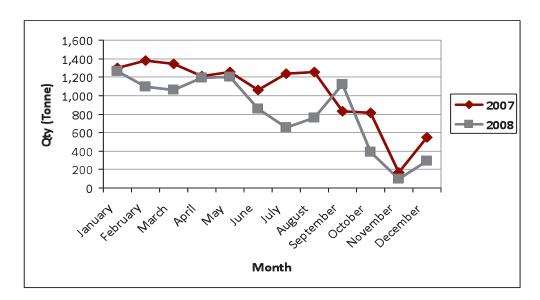
#### **IMPORTS & COST OF IMPORTS - ONIONS**

	200	)8	2007		
Country of Origin	Quantity Imported (Tonne)	Average Cost C&F Rs/Tonne	Quantity Imported (Tonne)	AVERAGE COST C&F RS/TONNE	
South Africa	430	14,910	578	14,717	
India	9,297	11,149	11,182	14,397	
Total	9,727	-	11,760	-	

#### Rodrigues Onions

The AMB continued to purchase onions from Rodrigues at a fair price in line with the objective to support its agricultural sector. In 2008, 58.5 tonnes were purchased as compared to 60.6 tonnes in 2007.

#### SALE OF ONIONS BY AMB



The sales trend of onions at the AMB followed a more or less similar trend in both 2008 and 2007.

The sales varied in the range of 1,000 to 1,250 tonnes per month from January to June / July (period where there is no local production). However, the sales at the AMB started on a downward trend as from August till December as most of the dealers procure their onions directly from planters as local harvest being in full swing. During the months of November and December in both years, sales of onions at AMB are quite low due to the peak production in the region of La Marie.





#### **GARLIC**

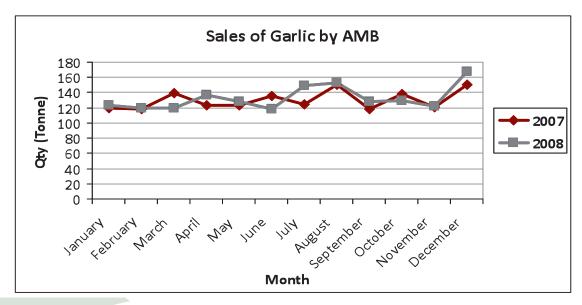
The AMB continued to ensure regular supply of garlic on the local market through imports since local production remained negligible.

Local production of garlic was only 20.1 tonnes in 2008 and 58.7 tonnes in 2007. AMB imported 1,568 tonnes of garlic in 2008 as compared to 1,498 tonnes in 2007.

#### Local Production & Imports of Garlic

		2008		2007			
	Local Production		Imports	Local Production		Imports	
Month	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)	
January	0.2	1.3	280	-	-	112	
February	0.4	2.2	140	-	-	-	
March	-	-	140	-	-	112	
April	0.3	1.9	168	0.4	2.6	112	
May	-	-	-	-	-	238	
June	-	-	-	0.8	4.9	112	
July	0.2	1.1	140	0.6	4.0	224	
August	0.2	1.7	168	2.4	13.3	-	
September	0.8	5.6	140	1.0	8.0	112	
October	0.6	3.8	168	2.9	21.5	196	
November	0.4	2.5	112	0.4	2.9	280	
December	-	-	112	0.2	1.5	-	
Total	3.1	20.1	1,568	8.7	58.7	1,498	

#### SALE OF GARLIC



The sales of garlic varied in the range of 120 to 140 tonnes per month for both 2008 and 2007 except for a peak of 160 tonnes in December.

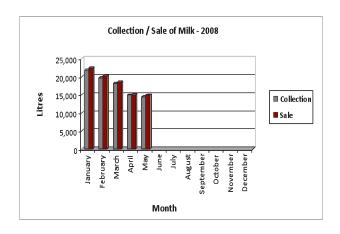


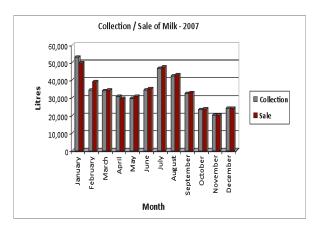
#### **MILK**

#### MILK MARKETING SCHEME

In line with its objective to encourage local production of fresh milk in Mauritius, the AMB continued to run the Milk Marketing Scheme. The Scheme consists of collection of raw milk at farm gate, pasteurizing, packing and distributing of fresh milk throughout the island. However, following the continuous deficit in the milk operations, AMB stopped its operation in June 2008.

#### Collection and Sale of Milk





#### **Prices**

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





#### OTHER CONTROLLED PRODUCTS

#### **CARDAMONS**

	Imports			
Origin	2008	2007		
	Quantity (Kg)			
India	2,300	1,500		
Guatemala	11,360	8,000		
Total	13,660	9,500		



#### **TURMERIC**

Product	ORIGIN	2008	2007		
rkoboci	Quantity (Tonne)				
Turmeric Powder	India	150	180		
Turmeric Finger	India	70	68		



# OTHER PRODUCTS 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 and droughts.

In 2007, AMB imported 176,000 tins (400 gms) of peeled canned tomatoes of Italy origin. However, no import was effected in 2008 as there was sufficient stock at AMB.

#### Glass Jars

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

In 2007, AMB imported 274,606 units while no import was effected in 2008 as there was sufficient stock.

#### Other Vegetables Imported by AMB

In both 2007 and 2008, AMB embarked in the importation of carrots and cabbages as a consequence of shortage of these commodities on the local market following quota released by the Ministry of Agro Industry and Food Security.

In 2008, AMB imported 270.18 tonnes of carrots and 202.94 tonnes of cabbages while in 2007 51.5 tonnes of carrots and 39.6 tonnes of cabbages were imported. Imports were effected from South Africa and India respectively.



# FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2007



# DIRECTOR OF AUDIT

On the Financial Statements of the Agricultural Marketing Board for the Year Ended 31 December 2007

NATIONAL AUDIT OFFICE.

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

#### Report on the Financial Statements

I have audited the financial statements of the Agricultural Marketing Board which comprise the balance sheet as of 31 December 2007, and the income statement, the statement of changes in equity and cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes.

#### Management's Responsibility for the Financial Statements

Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Agricultural Marketing Board and for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and in compliance with the Statutory Bodies (Accounts and Audit) Act 1972. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements 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 whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit opinion.

#### **Basis of Qualified Opinion**

The Financial Statements of the Agricultural Marketing Board for the year ending 31 December 2007, submitted on 8 June 2008, were not prepared in accordance with International Financial Reporting Standards (IFRS), as required under the Financial Reporting Act 2004, and therefore needed to be amended.

Revised Financial Statements were submitted in October 2008. However, there had been only partial compliance with IFRS. Financial Statements should not be described as complying with IFRS unless they comply with all the requirements of each applicable Standard. A departure from IFRS is permitted in order to achieve fair presentation, in which case comprehensive disclosure requirements are imposed. Reasons for non-compliance with each IFRS should also be given. For example:

- IFRS 1 is applied when an entity adopts IFRS for the first time by an explicit and unreserved statement of compliance with IFRSs. IFRS1 provides guidance for the transition from previous Generally Accepted Accounting Principles (GAAP) to IFRSs and requires the entity to prepare an opening IFRS balance sheet, which complies with all IFRSs effective at the reporting date for its first IFRS financial statements. A reconciliation of income statement and statement of explanation of transition to IFRS needs to be prepared to explain changes between the existing GAAP and IFRS applied to the last year's financial statements. This has not been done.
- The Board contributes in a defined benefit plan for the pension of its staff. This
  has not been recognised in the Financial Statements as Retirement Pension
  Obligation.
- No provision was made in the financial statements in respect of accumulated sick leave of 90 days payable at time of retirement.
- Disclosures regarding Related Parties Transactions, Capital Commitments, Contingent Liabilities, Leases, Impairment of assets and cessation of an income generating unit had not been made in the Financial Statements.

#### **Qualified Opinion**

In my opinion, except for the effects on the financial statements of the matters referred to in the preceding paragraphs, the financial statements give a true and fair view of the financial position of the Agricultural Marketing Board as of 31 December 2007, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Statutory Bodies (Accounts and Audit) Act, 1972.

#### Report on Other Legal and Regulatory Requirements

Statutory Bodies (Accounts and Audit) Act 1972

I have obtained all information and explanations I have required.

In my opinion proper accounting records have been kept by the Agricultural Marketing Board as far as it appears from my examination of those records.

#### Other Matters

Without qualifying my opinion, I draw attention to the following:

#### Financial Position of the AMB

The financial situation of the AMB has deteriorated. Deficit for the year amounted to some Rs 48.7 million, that is an increase of some 112.5 per cent over the previous year's deficit of Rs 22.9 million. Bank overdraft has constantly increased over the past few years and has reached Rs 108.4 million as of December 2007.

The Trading Equalisation Reserve represents the accumulated reserve of the AMB. The deficits on this Equalisation Reserve had increased by 280 per cent compared to 107 per cent in 2006.

Management contends that one of the factors which caused a fast deterioration in the financial situation of the AMB during 2007 was the fact that AMB had the legal obligation to sell onions at a wholesale price lower than the purchased price. However, the retail price of onions had been liberalised as from November 2007 and the AMB is now in a position to recover its costs.



National Audit Office Level 14 Air Mauritius Centre PORT LOUIS

16 July 2009



# FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2007

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#### **AGRICULTURAL MARKETING BOARD BALANCE SHEET AS AT 31ST DECEMBER 2007**

ASSETS	Notes	<u>2007</u> MUR	<u>2006</u> MUR
Non-current assets Property, Plant and Equipment	4	184,269,740 184,269,740	208,890,349 208,890,349
Current assets Inventories Investment Trade receivables Staff Loans Medical Assistance Balances Bank Balances and Cash	5 6 7 2.1 8	64,989,729 13,522,430 12,678,376 1,519,794 2,660,509 274,981 95,645,820	62,599,637 12,680,418 12,037,085 1,915,683 2,212,161 74,933
Total Assets		279,915,558	300,410,265
EQUITY AND LIABILITIES  Capital and Reserves Capital Grant Medical Assistance Fund Trading Equalisation Reserve Renovation Reserve	9 2.1 10 11	25,042,000 2,660,509 (60,393,440) 98,111,315 65,420,384	28,883,000 2,212,161 (15,873,114) 111,860,248 127,082,295
Non-current liabilities Long-term borrowings	12	53,280,868 53,280,868	57,226,439 57,226,439
Current liabilities Trade and other payables Deposit on Seeds & Others Short Term Borrowings Bank Overdraft	13 14 15	40,323,264 10,572,660 1,914,254 108,404,128 161,214,306	23,556,762 5,342,032 2,027,105 85,175,632 
Total Equity and Liabilities		279,915,558	300,410,265

Approved by the Board on its 525th Meeting held on 10th October 2008.

CHAIRPERSON

**GENERAL MANAGER** 

DATE:

The notes on pages 6 to 15 form part of these accounts.



# AGRICULTURAL MARKETING BOARD INCOME STATEMENT AS AT 31ST DECEMBER 2007

AS AT 31ST DECEMBER 2007	<u>Notes</u>	<u>2007</u> MUR	<u>2006</u> MUR
Turnover		475,379,642	200 510 214
			398,518,314
Cost of Sales	16	(451,785,475)	(341,298,048)
		23,594,166	57,220,266
Operating & Administrative Expenditure	17	(97,844,870)	(99,897,400)
Operating Surplus / (Deficit)		(74,250,704)	(42,677,134)
Other Income	18	34,684,202	33,732,173
Finance Costs	19	(11,236,941)	(6,453,984)
Gain/Loss on Exchange	20	2,095,089	(7,519,012)
Surplus/(Deficit) for the year		(48,708,354)	(22,917,957)
Trading Equalisation Reserve brought forward		(15,873,114)	7,044,843
Drought & Flood Relief Funds and Fire Outbreak Port Louis Market Fund reinstated		4,188,028	-
Trading Equalisation Reserve carried forward		(60,393,440)	(15,873,114)





# AGRICULTURAL MARKETING BOARD CASH FLOW STATEMENT AS AT 31ST DECEMBER 2007

A5 A1 3151 DECEMBER 2007			
	<u>Notes</u>	<u>2007</u> MUR	<u>2006</u> Mur
Cash generated /(absorbed) in operations	21.1	(6,500,154)	(10,957,744)
Interest paid		(11,333,768)	(6,447,059)
Net cash (outflow) / inflow from operating activities		(17,833,922)	(17,404,803)
Purchase of Fixed Assets		(3,237,966)	(8,066,536)
Sinking Fund Investment		(207,385)	(207,385)
Proceeds from sale of fixed assets		-	1,676,750
Interest Received		214,158	343,397
Net cash used in investing activities		(21,065,116)	(23,658,577)
Cash flow from financing activities			
Payment on Government Loan		(1,963,332)	(1,867,416)
Net decrease in cash & cash equivalent		(23,028,448)	(25,525,993)
Cash & cash equivalent at beginning of period		(85,100,699)	(59,574,706)
Cash & cash equivalent at end of period		(108,129,147)	(85,100,699)



# AGRICULTURAL MARKETING BOARD STATEMENT OF CHANGES IN EQUITY AS AT 31ST DECEMBER 2007

			YEAR 2007		
	Capital Grants	Medical Assistance Fund	Renovation Reserves	Trading Equalisation Reserve	Total
	MUR	MUR	MUR	MUR	MUR
Balance as at 01 January 2007	28,883,000	2,212,161	111,860,248	(15,873,114)	127,082,295
Prior Year Adjustment	-	-	-	-	-
					-
Restated Balance	28,883,000	2,212,161	111,860,248	(15,873,114)	127,082,295
Contribution for the Year	-	448,348	-	-	448,348
Credit to Income Statement	(3,841,000)	-	(13,748,933)	-	(17,589,933)
Surplus/(Deficit) for the Year	-	-	-	(44,520,326)	(44,520,326)
					-
Balance as at 31st December 2007	25,042,000	2,660,509	98,111,315	(60,393,440)	65,420,384

			YEAR 2006		
	Capital Grants	Medical Assistance Fund	Renovation Reserves	Trading Equalisation Reserve	Total
	MUR	MUR	MUR	MUR	MUR
Balance as at 01 January 2006	32,724,000	2,027,766	125,609,180	7,044,843	167,405,789
Prior Year Adjustment	-	-	-	-	-
					-
Restated Balance	32,724,000	2,027,766	125,609,180	7,044,843	167,405,789
Contribution for the Year	-	184,395	-	-	184,395
Credit to Income Statement	(3,841,000)	-	(13,748,932)	-	(17,589,932)
Surplus/(Deficit) for the Year	-	-	-	(22,917,957)	(22,917,957)
					-
Balance as at 31st December 2006	28,883,000	2,212,161	111,860,248	(15,873,114)	127,082,295



#### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

#### 1.0 GENERAL INFORMATION

The Agricultural Marketing Board (AMB) was established in 1963 under the Mauritius Agricultural Marketing Act 1963.

The Board is a parastatal body running under the aegis of the Ministry of Agro-Industry & Fisheries and deals in the purchases and sales, imports and exports, marketing and storage of controlled and other products.

The AMB also rents storage space whenever available.

#### 2.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied in dealing with items which are considered material in relation to the board's financial statements to all the years presented, unless otherwise stated.

#### Basis of preparation

The financial statements have been prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and under the historical cost convention.

The preparation of financial statements in conformity with International Accounting Standards and International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

#### 2.2 Foreign currency translation

(a) Measurement and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Mauritian Rupees which is the board's measurement currency.

#### (b) Transactions and balances

Foreign currency transactions are translated in to the measurement currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Assets and Liabilities denominated in foreign currency are translated in Mauritian Rupee at the exchange rate ruling at balance sheet date



### 2.3 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation.

Depreciation is calculated on the straight-line method to write off the cost or revalued amount of each asset to their residual values over their estimated useful lives as follows:

	%
Warehouse and Office building	2 .0
Plant and Machinery	1 0.0
Stores Equipment and Palletisation	1 2.5
Motor Vehicles	1 0.0
Motor Car	1 2.5
Office Equipment	1 2.5
Fixtures and Fittings	1 0.0
Computer Equipment	2 0.0
Tractors and Trailers	1 0.0
Water Proofing	1 0.0

### 2.4 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of products comprises of the invoiced value from suppliers, freight, handling charges, transport and other direct charges. Cost of spareparts consist of invoice value only. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

### 2.5 Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is an objective evidence that the board will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

### 2.6 Accounts payable

Accounts payable are stated at their nominal value.

### 2.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at fair value. For the purposes of the cash flow statements, cash and cash equivalents comprises cash in hand and bank balances, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

### 2.8 Grants

Grants received to finance capital expenditure is credited to the Grants Account in the balance sheet. The grants are credited in instalments to the Income Statement over the expected useful economic lives of the related assets on a basis consistent with its depreciation policy

### 2.9 Employee benefits

### Pension obligations

The Board makes pension contributions to State Insurance Company of Mauritius Ltd (SICOM) in respect of all employees who are on establishment. Such contributions are expensed to the Income Statement in the period in which they fall due.



The pension scheme stood to Rs 68,824,309 as at 31 December 2007 and Rs 58,974,408 as at 31 December 2006. The actuarial report of 1999 showed that the actuarial value of liabilities exceeds the value of the assets by Rs 13.5 M 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. No actuarial valuation was carried since.

The average monthly number of employees in Financial Year 2007 stood at 185 (182 in Financial Year 2006)

### 2.10 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 is as follows:

2007

2006

	2007	2000
	MUR	MUR
Medical Assistance Fixed Deposit Account	1,500,000	1,500,000
Medical Assistance Saving Account	1,160,509	712,161
	2,660,509	2,212,161

### 2.11 Provisions

Provisions are recognised when the corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

### 2.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the organisation and the revenue can be reliably measured.

Revenue comprises mainly of the sale of controlled products where no VAT is charged and recognised upon sale.

Revenue on rental is recognised monthly.

### 2.13 Borrowings Costs

Borrowings Costs are recognised as an expense on an accrual basis.

### 2.14 Investment - 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 13,522,430 as at 31 December 2007.



### 3.0 FINANCIAL RISK MANAGEMENT

### 3.1 Credit Risk

The board's activities expose it to financial credit risk. This is primarily attributable to its trade receivables. There is no significant concentrations of credit risk with exposure spread to a large number of customers. The board has policies in place to ensure that credit is given to customers with an appropriate credit history.

### 3.2 Operational risk management

Operational risk, which is inherent in all organisations activities, is the risk for financial loss and business instability arising from failures in internal controls, operational processes or the system that supports them. It is recognised that such risks can never be entirely eliminated and the costs of controls in minimising these risks may outweigh the potential benefits.

### 3.3 Legal risk

Legal risk is the risk that the business activities of the board have unintended or unexpected legal consequences. It includes risk arising from :

- (a) indadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency
- (b) Actual or potential violations of law or regulation (including activity unauthorised for a company and which may attract a civil or criminal fine or penalty)
- (c) Failure to protect the corporation property (including its interest in its premises)
- (d) The possibility of civil claims (including acts or other events which may lead to ligitation or other disputes)

The board identifies and manages legal risk through effective use of its legal adviser





# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 4: FIXED ASSETS AS AT 31 December 2007

	Building	Plant & Machinery	Stores Equipment & Palletisation	Motor Vehicles	Motor Car	Office Equipment	Furniture & Fittings	Computer Equipment	Waterproofing	TOTAL
	Rs	Rs	Rs	Rs	Rs	ß	Rs	Rs	Rs	Rs
COST OR VALUATION										
As at 1 January 2007	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
Additions	1	224,250	1,223,258		1,154,250	161,426	19,000	186,755		2,968,939
Under Capitalisation			269,027							269,027
As at 31 December 2007	103,867,542	187,805,131	43,357,935	7,857,357	2,007,602	3,624,912	960,247	8,526,437	2,777,970	360,785,133
PROVISION FOR DEPN.										
As at 1 January 2007	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
Charge for the period	2,077,351	18,780,513	4,255,800	760,736	250,950	246,375	96,025	1,079,401	277,777	27,824,947
Under Depreciation in 2006			33,628							33,628
As at 31 December 2007	25,280,870	103,746,073	31,251,330	3,832,330	677,626	2,684,405	423,492	6,396,892	2,222,376	176,515,393
CARRYING VALUE										
As at 31 December 2007	78,586,672	84,059,058	12,106,606	4,025,027	1,329,976	940,507	536,755	2,129,545	555,594	184,269,740
As at 31 December 2006	80,664,023	102,535,321	14,903,748	4,785,763	426,676	1,025,456	613,780	3,022,191	833,391	208,890,349



5.0	INVENTORIES  The inventories held are as follows:	2007 MUR	2006 MUR
	Agricultural products	56,423,876	54,046,712
	Spare parts, stationery, plastic sheets & leno bags	8,565,853	8,552,925
		64,989,729	62,599,637
6.0	INVESTMENT	2007 MUR	2006 MUR
	Balance at start of year	12,680,418	11,878,496
	Interest earned	842,012	801,922
	Balance at end of year	13,522,430	12,680,418

This investment consists 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.

7.0	TRADE RECEIVABLES	2007 MUR	2006 MUR
	Trade receivables	11,262,394	8,296,728
	Prepayments	1,415,983	3,740,357
		12,678,376	12,037,085
8.0	BANK BALANCES AND CASH	2007 MUR	2006 MUR
	Cash in hand	274,981	72,166
	Seven Days Notice Saving Account	-	2,767
		274,981	74,933



9.0

CAPITAL GRANTS	2007 MUR	2006 MUR
Balance at start of year	28,883,000	32,724,000
Transfer to Income Statement	(3,841,000)	(3,841,000)
Balance at end of year	25,042,000	28,883,000

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.

10.0	RESERVES	2007 MUR	2006 MUR
	Balance at start of year	(15,873,114)	7,044,843
	Surplus/(Deficit) for the year	(48,708,354)	(22,917,957)
	Drought & Flood Relief Funds and Fire Outbreak Port Louis Market Fund reinstated	4,188,028	
	Balance at end of year	(60,393,440)	(15,873,114)
11.0	RENOVATION RESERVES	2007 MUR	2006 MUR
	Balance at start of year	111,860,248	125,609,180
		(13,748,933)	(13,748,932)
	Balance at end of year	98,111,315	111,860,248

A renovation reserve of Rs 166,855,975 was created in the year 2003 in the light of the renovation of the cold stores in 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.



### 12.0 LONG TERM BORROWINGS

(See note 12)

	2007		2007		2	2006
	EURO	MUR	EURO	MUR		
Buildings - Note (a )		20,738,538		20,738,538		
Onion & seed Stores - Note (b)	806,398	34,456,584	851,198	38,515,006		
	806,398	55,195,122	851,198	59,253,544		
Loan payable within 1 year	44,800	1,914,254	44,800	2,027,105		
Loan payable within 2-5 years	179,200	7,657,016	179,200	8,108,420		
Loan payable within 6-10 years	223,999	9,571,270	223,999	10,135,525		
Loan payable more than 10 years	358,399	36,052,581	403,199	38,982,494		
Long Terms Loans	761,598	53,280,868	806,398	57,226,439		
Rate EURO/Rs.	42.729		45.248			

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.

13.0	TRADE AND OTHER PAYABLES	2007 MUR	2006 MUR
	Trade payables	29,790,021	8,695,211
	Other payables	58,370	60,418
	Accruals	8,417,558	13,196,891
	Provision for passage benefit	2,057,316	1,604,242
		40,323,264	23,556,762
14.0	SHORT TERM BORROWINGS	2007 MUR	2006 MUR
	Proportion of long term borrowings repayable within 1 year	1,914,254	2,027,105



15.0	BANK OVERDRAFT	2007 MUR	2006 MUR	
	Bank Overdraft	108,404,128	85,175,632	_
16.0	COST OF SALES	2007 MUR	2006 MUR	
	Opening Stock	54,046,712	45,847,140	ı
	Purchases	454,162,639	349,497,620	ı
	Closing Stock	(56,423,876)	(54,046,712	)
		451,785,475	341,298,048	_
17.0	OPERATING & ADMINISTRATIVE EXPENDITURE	2007 MUR	2006 MUR	
	Operating Expenses (Storage Cost) Salaries & Wages, Overtime & Allowances Water & Electricity Repairs & Maintenance & Insurance Security Services General Expenses - Store Provision for Leave Passages	26,746,018 21,994,091 4,447,486 1,155,039 138,722 548,200 55,029,557	24,913,433 23,952,943 4,464,805 1,563,388 224,518 553,086 55,672,173	
	Administrative expenses Salaries & Allowances Overseas travelling Motor vehicle running expenses Printing & Stationery, Advertising, Postage & Telephone Legal & Professional Consultancy Fee Audit fee General expenses Board members fees Rent of Leasehold land Provision for leave passsages	9,791,776 221,377 1,734,819 1,327,111 349,971 20,000 175,000 730,523 331,093 16,620 258,449	10,288,394 602,168 1,799,868 1,592,435 501,097 - 130,000 1,052,256 281,397 16,620 265,313	
	Depreciation (Note 3)	27,858,575	27,695,679	
		97,844,870	99,897,400	_



18.0	OTHER INCOME	2007 MUR	2006 MUR
	Cess Received	967,376	847,288
	Storage Rent Receivable	13,593,492	12,148,354
	Sundry Income	19,274,549	19,798,598
	Interest	848,785	937,933
		34,684,202	33,732,173
19.0	FINANCE COSTS	2007 MUR	2006 MUR
19.0	FINANCE COSTS  Interest on long term loan from Government of Mauritius and EDF		
19.0		MUR	MUR
19.0	Interest on long term loan from Government of Mauritius and EDF	MUR 1,192,472	MUR 1,205,182
19.0	Interest on long term loan from Government of Mauritius and EDF	MUR 1,192,472 10,044,470	MUR 1,205,182 5,248,802

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 gain on exchange amounting to Rs 1,858,568 was credited (compared to a loss of Rs 7,519,012 debited in 2006) to the Income Statement.





21.0	NOTES TO THE CASH FLOW STATEMENT	2007 MUR	2006 MUR
21.1	Cash utilised in operating activities		
	Surplus/ Deficit for the year  Adjustment for: Depreciation ( Over ) / Under Depreciation Grant amortised Renovation Reserve amortised Foreign Exchange (Gain)/Loss Interest Income Interest Expense Loss/(Profit)on sales of fixed assets	(44,520,327) 27,824,947 33,628 (3,841,000) (13,748,932) (2,095,089) (848,785) 11,236,941	(22,917,957)  27,697,590
	Operating Surplus/(Deficit) before working capital changes	(25,958,616)	150,637
	Movement in working capital: Increase in Inventories Increase in Trade & Other Receivables Decrease/(Increase) in staff loans	(2,390,092) (641,291) 395,889	(6,768,656) (1,604,651) (656,731)
	Increase/(Decrease) in Trade & Other Payables Increase in Deposit on seeds & others	16,863,329 5,230,628	(2,841,824) 763,481
	Cash generated /(absorbed ) in operations	(6,500,154)	(10,957,744)
21.2	Cash and cash equivalents	2007 MUR	2006 MUR
	Bank Balances and Cash (see note 8 above)	274,981	74,933
	Bank Overdraft	(108,404,128)	(85,175,632)
		(108,129,146)	(85,100,699)

### 22.0 REPORTING CURRENCY

The financial statements are presented to the nearest Mauritian Rupee.



### FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2008



### DIRECTOR OF AUDIT

On the Financial Statements of the Agricultural Marketing Board for the Year Ended 31 December 2008

NATIONAL AUDIT OFFICE.

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

### Report on the Financial Statements

I have audited the financial statements of the Agricultural Marketing Board which comprise the balance sheet as of 31 December 2008, and the related statements of income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Agricultural Marketing Board and for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and in compliance with Financial Reporting Act 2004 and the Statutory Bodies (Accounts and Audit) Act 1972. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements 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 whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my opinion.

### **Basis of Qualification**

### Property, Plant and Equipment Rs 158,882,421

- Existence of assets and completeness of the figure could not properly ascertained because the Fixed Assets Register was incomplete, could not be reconciled with accounts and lack information for identification of assets.
- Fully depreciated assets still in use were not accounted in accordance with applicable accounting standards.

### Capital Grant Rs 21,201,000

Accounting standards in respect of Capital Grants were not complied with.

The movements were accounted in the Statement of Changes in Equity and the account balance under item "Capital and Reserves" instead of setting up of the grant as deferred income or deduction of grant in arriving at the carrying amount of the asset.

### **Opinion**

In my opinion, except for the effects on the financial statements of the matters referred to in the preceding paragraph, the financial statements give a true and fair view of the financial position of the Agricultural Marketing Board as of 31 December 2008, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Report on Other Legal and Regulatory Requirements

Statutory Bodies (Accounts and Audit) Act 1972.

I have obtained all information and explanations I have required. In my opinion proper accounting records have been kept by the Agricultural Marketing Board as far as it appears from my examination of those records.

Submission of Accounts.

The financial statements for the year ended 31 December 2008 were submitted to the National Audit Office on 3 September 2009, that is five months after the statutory date limit of 31 March 2009.

In my opinion, except for the non-submission of the financial statements within the statutory date limit, the financial statements of the Agricultural Marketing Board as of 31 December 2008 comply with the Statutory Bodies (Accounts and Audit) Act 1972.



National Audit Office Level 14, Air Mauritius Centre PORT LOUIS

3 December 2009



### FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2008

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**BALANCE SHEET** AS AT 31 DECEMBER 2008

<u>ASSETS</u>	Notes	2008	2007
			Restated
Non-Current Assets	4	Rs.	<b>Rs.</b> 181,903,616
Property, plant and equipment Intangible assets	4 5	158,882,421 501,371	958,343
Assets held for sale	6	1,840,000	1,840,000
Loans receivable	7	1,229,714	1,157,251
		162,453,506	185,859,210
Current Assets			
Inventories	8	56,671,965	64,989,729
Loans receivable	7	454,172	362,544
Investment	9	14,364,739	13,522,430
Trade and other receivables	10	31,021,049	12,678,376
Medical assistance fund	11 12	3,080,061 960,255	2,660,509 274,981
Cash and cash equivalents	12		•
		106,552,241	94,488,569
TOTAL ASSETS		269,005,747	280,347,779
EQUITY AND LIABILITIES			
Capital and reserves			
Capital grants	13	21,201,000	25,042,000
Trading Equalisation Reserve	14	(17,642,861)	(109,847,709)
Medical Assistance Fund Renovation reserve	11 15	3,080,061 84,362,383	2,660,509 98,111,315
Revaluation reserve	16	3,502,820	3,502,820
Revulbation reserve	10		· · · · · · · · · · · · · · · · · · ·
New Community Library		94,503,403	19,468,935
Non-Current Liabilities Non current payables	17	8,185,240	5,625,075
Retirement benefit obligations	18	42,064,883	40,758,594
Long-term borrowings	19	55,831,460	53,280,868
		106,081,583	99,664,537
Current Liabilities			
Trade and other payables	20	48,800,308	50,895,925
Short term borrowings	21	2,064,289	1,914,254
Bank overdraft	12	17,556,164	108,404,128
	7	68,420,761	161,214,307
		269,005,747	280,347,779

Approved by

CHAIRPERSON

The notes on pages 7 to 28 form part of these financial statements.

GENĚRAL MANAGER



INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008	2007
		Rs.	Restated Rs.
Income			
Turnover ( Appendix II ) Cost of sales	22	538,277,835 (357,438,421)	475,379,642 (451,785,475)
		180,839,414	23,594,167
Expenditure			
Operating and administrative expenses (Appendix I)		92,906,343	80,624,153
Donations Depreciation and amortisation	23	5,513,159 27,649,933	28,352,935
		126,069,435	108,977,088
Surplus/ (deficit) from operations		54,769,979	(85,382,921)
Other income	24	47,214,409	34,684,202
Finance costs	25	(7,078,913)	(11,236,942)
(Loss)/ gain on exchange	26	(2,700,627)	2,095,089
Net surplus/(deficit) for the year		92,204,848	(59,840,572)
Fire outbreak Port Louis Market Fund reinstated		_	4,188,028
		92,204,848	(55,652,544)

The notes on pages 7 to 28 form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

	Capital grant	Medical Assistance Fund	Renovation Reserve	Trading Equalisation Reserve	Revaluation Reserve	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 January 2007 as previously reported	28,883,000	2,212,161	111,860,248	(15,873,114)	-	127,082,295
IFRS Conversion adjustments						
Effect of IFRS adoption Retirement benefit obligations	-	-	-	(38,322,050)	-	(38,322,050)
Restated balance as at 01 January 2007	28,883,000	2,212,161	111,860,248	(54,195,164)	-	88,760,245
Contribution for the year	-	448,348	-	-	-	448,348
Credit to Income Statement	(3,841,000)	-	(13,748,933)	-	-	(17,589,933)
Deficit for the year ended 31 December 2007	-	-	-	(44,520,326)	-	(44,520,326)
Effect of IFRS adoption: Retirement benefit obligations Impairment Provision for sick leave Revaluation reserve Depreciation	- - - -	- - - -	- - - -	(2,436,544) (2,576,240) (5,625,075) - (494,360)	- - - 3,502,820 -	(2,436,544) (2,576,240) (5,625,075) 3,502,820 (494,360)
Balance at 31 December 2007	25,042,000	2,660,509	98,111,315	(109,847,709)	3,502,820	19,468,935
Balance as at 01 January 2008 as previously reported	25,042,000	2,660,509	98,111,315	(60,393,440)	-	65,420,384
IFRS Conversion adjustments						
Effect of IFRS adoption Retirement benefit obligations Impairment Provision for sick leave Revaluation reserve Depreciation	- - - -	- - - -	- - - -	(40,758,594) (2,576,240) (5,625,075) - (494,360)	- - 3,502,820	(40,758,594) (2,576,240) (5,625,075) 3,502,820 (494,360)
Restated balance as at 01 January 2008	25,042,000	2,660,509	98,111,315	(109,847,709)	3,502,820	19,468,935
Contribution for the year	-	419,553	-	-	-	419,553
Credit to Income Statement	(3,841,000)	-	(13,748,933)	-	-	(17,589,933)
Surplus for the year	-	-	-	92,204,848	-	92,204,848
Balance at 31 December 2008	21,201,000	3,080,062	84,362,382	(17,642,861)	3,502,820	94,503,403

The notes on pages 7 to 28 form part of these financial statements.





**CASH FLOW STATEMENT** FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	2000	Restated
Notes	Rs.	Rs.
Cash flow from operating activities		
Net surplus/(deficit) for the year	92,204,848	(55,652,544)
Adjustments for:-	27 440 022	20 252 025
Depreciation and amortisation Retirement benefit obligations	27,649,933 1,306,289	28,352,935 2,436,544
Impairment of fixed assets	-	2,576,240
Provision for sick leave	2,560,165	5,625,075
Grant amortised	(3,841,000)	(3,841,000)
Renovation reserve amortised	(13,748,932)	(13,748,932)
Foreign exchange loss/ (gain ) Interest receivable	2,700,627 (1,102,122)	(2,095,089) (848,785)
Interest payable	7,078,913	11,236,941
Operating surplus/(deficit) before working capital changes	114,808,721	(25,958,615)
(Increase) in trade and other receivables	(18,342,673)	(641,291)
Decrease/ (increase) in inventories (Increase)/ decrease in staff loans	8,317,764 (164,091)	(2,390,092) 395,888
Increase) decrease in sian loans Increase in trade and other payables	(3,507,717)	21,055,612
Cash generated from/ (absorbed into) operations	101,112,004	(7,538,498)
<b>3</b>	,	
Interest paid	(5,874,198)	(10,484,750)
Net cash flows from operating activities	95,237,806	(18,023,248)
Cash flows from investing activities Acquisition of property, plant and equipment	(4,171,766)	(3,237,968)
Investment Interest received	467,198	(18,058) 214,158
iniciosi received	407,170	214,100
Net cash from/ (used in) investing activities	91,533,238	(21,065,116)
Cash flows from financing activities		
Repayment of Government Loan	-	(1,963,332)
Net increase / (decrease) in cash and cash equivalents	91,533,238	(23,028,448)
Movements in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	(108,129,147)	(85,100,699)
Cash and cash equivalents at the close of the year 12	(16,595,909)	(108,129,147)
Net increase / (decrease) in cash and cash equivalents	91,533,238	(23,028,448)

The notes on pages 7 to 28 form part of these financial statements.





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### **CORPORATE INFORMATION**

The Agricultural Marketing Board (AMB) was established in 1963 under the Mauritius Agricultural Marketing

The Board is a parastatal body running under the aegis of the Ministry of Agro-Industry & Food Production and Security and deals in the purchases and sales, imports and exports, marketing and storage of controlled and other products.

The Board also rents storage space whenever available.

### ADOPTION OF NEW AND REVISED STANDARDS 2.

In the current year, the Board has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 01 January 2007.

The adoption of these new and revised Standards and Interpretations has resulted in changes to the Board's accounting policies in the following areas that have effected the amounts reported for the current and prior

- Financial Instruments
- Retirement benefit obligations
- Provision for sick leave

The impact of these changes is explained in detail at note 28 to the financial statements.

### **ACCOUNTING POLICIES** 2a.

The principal accounting policies adopted by the Board are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Board's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note (v) below.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 2a. ACCOUNTING POLICIES (cont'd)

- (a) Basis of preparation (cont'd)
- (i) Adoption of new and revised International Financial Reporting Standards:

In the current year, the Board has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2008. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the Board's accounting policies.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue on annual periods beginning on or after the respective dates as indicated:

- IAS<sub>1</sub> Presentation of Financial Statements - Comprehensive revision including requiring a statement of comprehensive income (effective 1 January 2009)
- IAS<sub>1</sub> Presentation of Financial Statements - Amendments relating to disclosure of puttable instruments and obligations arising on liquidation (effective 1 January 2009)
- IAS 1 Presentation of Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
- IAS 1 Presentation of Financial Statements - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
- IAS 7 Statement of cash flows - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
- **IAS 16** Property, Plant and Equipment - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
- **IAS 17** Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
- **IAS 19** Employee Benefits - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
- Government Grants and Disclosure of Government Assistance Amendments resulting from May **IAS 20** 2008 Annual Improvements to IFRSs (effective 1 January 2009)
- Borrowing costs Comprehensive revision to prohibit immediate expensing (effective 1 January **IAS 23**
- Borrowing Costs Amendments resulting from May 2008 Annual Improvements to IFRSs (effective **IAS 23** 1 January 2009)
- Consolidated and Separate Financial Statements Consequential amendments arising from **IAS 27** amendments to IFRS 3 (effective 1 July 2009)
- Consolidated and Separate Financial Statements Amendment relating to cost of an investment **IAS 27** on first-time adoption (effective 1 January 2009)
- **IAS 27** Consolidated and Separate Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRS (effective 1 January 2009)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 2a. ACCOUNTING POLICIES (cont'd)

### (a) Basis of preparation (cont'd)

- Investments in Associates Consequential amendments arising from amendments to IFRS 3 **IAS 28** (effective 1 July 2009)
- **IAS 28** Investments in Associates - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
- **IAS 29** Financial Reporting in Hyperinflationary Economies - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
- Investments in Joint Ventures Consequential amendments arising from amendments to IFRS 3 **IAS 31** (effective 1 July 2009)
- Interests in Joint Ventures Amendments resulting from May 2008 Annual Improvements to IFRSs IAS 31 (effective 1 January 2009)
- **IAS 32** Financial Instruments: Presentation - Amendments relating to puttable instruments and obligations arising on liquidation (effective 1 January 2009)
- **IAS 36** Impairment of Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
- Impairment of Assets Amendments resulting from April 2009 Annual Improvements to IFRSs **IAS 36** (effective 1 January 2010)
- Intangible Assets Amendments resulting from May 2008 Annual Improvements to IFRS (effective **IAS 38** 1 January 2009)
- Intangible Assets Amendments resulting from April 2009 Annual Improvements to IFRS (effective **IAS 38** 1 January 2010)
- Financial Instruments: Recognition and Measurement Amendments resulting from May 2008 **IAS 39** Annual Improvements to IFRS (effective 1 January 2009)
- IAS 39 Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items (effective 1 January 2009)
- **IAS 39** Financial Instruments: Recognition and Measurement - Amendments for embedded derivatives when reclassifying financial instruments (effective 1 January 2009)
- Investment Property Amendments resulting from May 2008 Annual Improvements to IFRS **IAS 40** (effective 1 January 2009)
- **IAS 41** Agriculture - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
- IFRS 1 First-time Adoption of International Financial Reporting Standards - Amendment relating to cost of an investment on first-time adoption (effective 1 January 2009)
- Share-Based Payment Amendment relating to vesting conditions and cancellations (effective 1 IFRS 2 January 2009)
- IFRS 2 Share-Based Payment - Amendment resulting from April 2009 Annual Improvements to IFRS (effective 1 January 2009)
- IFRS 3 Business Combinations - Comprehensive revision on applying the acquisition method (effective 1 January 2009)
- Non-current Assets Held for Sale and Discontinued Operations Amendments resulting from May IFRS 5 2008 Annual Iprovements to IFRS (effective 1 January 2009)
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from April 2009 Annual Iprovements to IFRS (effective 1 January 2010)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 2a. ACCOUNTING POLICIES (cont'd)

### (a) Basis of preparation (cont'd)

IFRS 7	Financial Instruments - Disclosures - Amendments enhancing disclosures about fair value and liquidity risk (effective 1 January 2009)
IFRS 8	Operating segments (effective 1 January 2009)
IFRS 8	Operating segments - Amendments resulting from April 2009 Annual Improvements to IFRSs(effective 1 January 2010)
IFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
IFRIC 12	Service Concession Arrangements (effective 1 January 2008)
IFRIC 13	Customer Loyalty Programme (effective 1 January 2008)
IFRIC 14	IAS 19 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and their interactions (effective 1 January 2008)
IFRIC 15	Agreements for the Construction of Real Estate (effective 1 January 2009)
IFRIC 16	Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)
IFRIC 17	Distribution of Non-cash Assets to Owners (effective 1 January 2009)
IFRIC 18	Transfer of Assets from customers (Transfers received on or after 1 July 2009)

The Board anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact its financial statements.

### (ii) Standards, amendments and interpretations effective in 2008

IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial statements - Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Board's financial instruments, or the disclosures relating to taxation and trade and other payables.

### (iii) Standards, amendments and interpretations effective in 2008 but not relevant

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Board's accounting year beginning on or after 1 January 2008. The Board have assessed the relevance of these standards, interpretations and amendments with respect to the Board's operations and concluded that they are not relevant to the Board.

### (iv) Standards, amendments and interpretations that are not yet effective

Management have considered standards, interpretations and amendments to existing standards that have been published and that are mandatory for the Board's accounting year beginning on or after 1 January 2009 or later periods but that the Board has not early adopted. They believe that these are not relevant to the Board's operations.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 2a. ACCOUNTING POLICIES (cont'd)

### (a) Basis of preparation (cont'd)

### (v) Critical accounting estimates and judgements

The Board makes estmates and judgements that affect the reported amounts of assets and liabilities within the next year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the cicumtances.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

### Impairment

At each balance sheet date, the Board reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount

Where it is not possible to estimate the recoverable amount of an individual asset, the Board estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### (b) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the organisation and the revenue can be reliably measured.

Revenue comprises mainly the sale of controlled products.

Revenue on rental is recognised on a monthly basis.

### (c) Foreign currency translation

### (i) Measurement and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Mauritian Rupees which is the board's measurement currency.

### (ii) Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Assets and liabilities denominated in foreign currency are translated in Mauritian rupees at the exchange rate ruling at the balance sheet date.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 2a. ACCOUNTING POLICIES (cont'd)

### (d) Comparative figures

Where necessary, comparative figures have been adjusted and restated to reflect the adoption of the International Financial Reporting Standards.

### (e) Property, Plant and Equipment

Property, plant and equipment are initially stated at cost or valuation less accumulated depreciation and any accumulated impairment losses. Cost comprises of any costs directly attributable to bringing the asset to working condition for its intended use.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated lives, using the straight line method as follows:-

Fixed assets	Expected useful life (Years)	Rates of depreciation per annum
Building	50	2%
Plant and machinery	10	10%
Stores equipment and palletisation	8	12.5%
Motor vehicles	10	10%
Motor car	8	12.5%
Office equipment	8	12.5%
Fixtures and fittings	10	10%
Computer equipment	5	20%
Water proofing	10	10%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The gains or losses arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Income Statement.

### (f) Provisions

Provisions are recognised when the Board has a present obligation as a result of a past events, and it is probable that the Board will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

### (g) Grants

Grants received to finance capital expenditure is credited to the Grants Account in the balance sheet. The grants are credited in instalments to the Income Statement over the espected useful economic lives of the related assets on a basis consistent with its depreciation policy.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 2a. ACCOUNTING POLICIES (cont'd)

### (h) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at fair value. For the purposes of the cash flow statements, cash and cash equivalents comprises cash in hand and bank balances, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

### (i) Retirement benefit costs

### State plan

Contributions to the National Pension Scheme are charged to the Income Statement in the period in which they fall due.

### Defined benefit pension plan

Contributions to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Board's defined benefit obligation and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligations recognized in the balance sheet represents the present value of the defined benefit obligations as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

### Employee leave entitlement

Employee entitlements to bank sick leave as defined in the PRB 2008 Report (the regulatory body for remuneration of AMB employees) are recognized as and when they accrue to employees. An accrual is made for the estimated liability for bank sick leave.

### (i) Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of products comprises the invoiced value from suppliers, freight, handling charges, transport and other direct charges. Cost of spare parts consist of invoice value only. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

### (k) Related parties

Related parties are considered to be related if one party has ability to control the other party in making financial operating decisions.

All transactions undertaken with related parties are at commercial terms and conditions.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### ACCOUNTING POLICIES (cont'd)

### (I) Financial instruments

Financial assets and liabilities are recognised in the Balance Sheet when the Board becomes a party to the contractual provision of the instrument. The Board's accounting policies in respect of the main financial instruments are set out below:

### (i) Fair values

The carrying amount of the financial assets and financial liabilities approximate their fair values due.

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

### (iii) Trade and other payables

Trade and other payables are stated at their nominal value.

### (m) Risk Management Policies

The Board adopts a conservative approach to Risk Management. A description of the significant risk factors are given below together with the relevant risk management policies:

### Credit risk

The Board's activities expose it to financial credit risk .This is primarily attributable to its trade receivables. There is no significant concentrations of credit risk with exposure spread to a large number of customers. The Board has policies in place to ensure that credit risk is given to customers with an appropriate credit history.

### Operational risk management

Operational risk, which is inherent in all organisations activities, is the risk of financial loss and business instability arising from failures in internal controls, operational processes or the system that supports them. It is recognised that such risks can never be entirely eliminated and the costs of controls in minimising these risks may outweigh the potential benefits.

### Legal risk

Legal risk is the risk that the business activities of the board have unintended or unexpected legal consequences. It includes risks arising from:

- (a) inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency
- (b) Actual or potential violations of law or regulation (including activities unauthorised for the Board and which may attract a civil or criminal fine or penalty)
- (c) Failure to protect the Board's property (including its interest in its premises)
- The possibility of civil claims (including acts or other events which may lead to litigation or other disputes)

The Board identifies and manages legal risk through effective use of its legal adviser.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 2a. ACCOUNTING POLICIES (cont'd)

### (n) Borrowinas costs

Borrowings Costs are recognised as an expense on an accruals basis.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in accordance with IFRS requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date include allowance for retirement benefit obligations.





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

# 4. PROPERTY, PLANT AND EQUIPMENT

	Building	Plant and machinery	Stores equipment and palletisation	Motor vehicles	Motor car	Office equipment	Furniture and fittings	Computer	Waterproofing	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	103,867,542	187,805,131	43,357,935	7,857,357	2,007,602	3,624,912	960,247	5,525,869	2,777,970	357,784,565
(e-stated)	At 01 January 2008 (Re-stated) 101,291,302 Additions	186,270,435	43,357,935 3,582,000	7,857,357	2,007,602	3,624,912	960,247 56,715	5,525,869 93,625	2,777,970	353,673,629 4,171,766
ľ	101,628,530	186,270,435	46,939,935	7,857,357	2,007,602	3,727,110	1,016,962	5,619,494	2,777,970	357,845,395
	25,280,870 (59,913)	103,746,073 (2,643,243)	31,251,330	3,832,330	677,626	2,684,405	423,492	4,354,667	2,222,376	174,473,169 (2,703,156)
At 01 January 2008 (Re-stated)	25,220,957	101,102,830	31,251,330	3,832,330	677,626	2,684,405	423,492	4,354,667	2,222,376	171,770,013
	2,048,889	19,334,786	3,631,700	760,736	250,950	211,683	101,696	574,724	277,797	27,192,961
At 31 December 2008	27,269,846	120,437,616	34,883,030	4,593,066	928,576	2,896,088	525,188	4,929,391	2,500,173	198,962,974
At 31 December 2008	74,358,684	65,832,819	12,056,905	3,264,291	1,079,026	831,022	491,774	690,103	777,772	158,882,421
At 31 December 2007	78,586,672	84,059,058	12,106,605	4,025,027	1,329,976	940,507	536,755	1,171,202	555,594	181,903,616

Note: The Board is of the opinion that the net book value of the property, plant and equipment approximates its fair value.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

		2008	2007
5.	INTANGIBLE ASSETS	Rs.	Rs.
	Computer Software:		
	Balance at 01 January	3,000,567	3,000,567
	Acquisitions	-	
	Balance at 31 December	3,000,567	3,000,567
	Amortisation and impairment losses		
	Balance at 01 January	2,042,224	1,585,252
	Charge for the year	456,972	456,972
	Balance at 31 December	2,499,196	2,042,224
	Carrying amounts:		
	At 31 December	501,371	958,343

### 6. ASSETS HELD FOR SALE

Part of the plant and machinery at the Clunny store is presented as assets held for sale following the commitment of the Board in the year 2007. Efforts to sell the conveyors have commenced, and sale is expected to take place by March 2009.

Plant and machinery  7. LOANS RECEIVABLE  Amount receivable within one year  Amount receivable after one year  1,683,886  1,519,795  8. INVENTORIES  Agricultural products Spare parts, stationary, plastic sheets and leno bags  Note: All stocks are at cost All costs of inventories have been expensed during the year.  9. INVESTMENT  Balance at 01 January Interest received  Balance at 31 December  11,840,000  1,840,000		Assets classified as held for sale	1 040 000	1 0 40 000
Amount receivable within one year Amount receivable after one year  1,229,714 1,157,251 1,683,886 1,519,795  8. INVENTORIES Agricultural products Spare parts, stationary, plastic sheets and leno bags  48,158,881 56,423,876 8,513,084 8,565,853 56,671,965 64,989,729  Note: All stocks are at cost All costs of inventories have been expensed during the year.  9. INVESTMENT Balance at 01 January Interest received  13,522,430 842,309 842,012		riant and machinery	1,040,000	1,640,000
Amount receivable after one year  1,229,714 1,157,251 1,683,886 1,519,795  8. INVENTORIES Agricultural products Spare parts, stationary, plastic sheets and leno bags 48,158,881 8,513,084 8,565,853 56,671,965 64,989,729  Note: All stocks are at cost All costs of inventories have been expensed during the year.  9. INVESTMENT Balance at 01 January Interest received 13,522,430 842,309 12,680,418 842,012	7.	LOANS RECEIVABLE		
Amount receivable after one year  1,229,714 1,157,251 1,683,886 1,519,795  8. INVENTORIES Agricultural products Spare parts, stationary, plastic sheets and leno bags 48,158,881 8,513,084 8,565,853 56,671,965 64,989,729  Note: All stocks are at cost All costs of inventories have been expensed during the year.  9. INVESTMENT Balance at 01 January Interest received 13,522,430 842,309 12,680,418 842,012		Amount receivable within one year	454,172	362,544
8. INVENTORIES Agricultural products Spare parts, stationary, plastic sheets and leno bags  Note: All stocks are at cost All costs of inventories have been expensed during the year.  9. INVESTMENT Balance at 01 January Interest received  13,522,430 842,309 12,680,418 842,012			1,229,714	1,157,251
8. INVENTORIES Agricultural products Spare parts, stationary, plastic sheets and leno bags  Note: All stocks are at cost All costs of inventories have been expensed during the year.  9. INVESTMENT Balance at 01 January Interest received  13,522,430 842,309 12,680,418 842,012		·		
Agricultural products Spare parts, stationary, plastic sheets and leno bags  56,423,876 8,513,084 56,423,876 8,513,084 56,671,965 64,989,729  Note: All stocks are at cost All costs of inventories have been expensed during the year.  9. INVESTMENT Balance at 01 January Interest received 13,522,430 842,309 12,680,418 842,012			1,683,886	1,519,795
Agricultural products Spare parts, stationary, plastic sheets and leno bags  56,423,876 8,513,084 56,423,876 8,513,084 56,671,965 64,989,729  Note: All stocks are at cost All costs of inventories have been expensed during the year.  9. INVESTMENT Balance at 01 January Interest received 13,522,430 842,309 12,680,418 842,012				
Spare parts, stationary, plastic sheets and leno bags  8,513,084  8,565,853  56,671,965  64,989,729  Note: All stocks are at cost All costs of inventories have been expensed during the year.  9. INVESTMENT  Balance at 01 January Interest received  13,522,430 12,680,418 842,309 842,012	8.	INVENTORIES		
Spare parts, stationary, plastic sheets and leno bags  8,513,084  8,565,853  56,671,965  64,989,729  Note: All stocks are at cost All costs of inventories have been expensed during the year.  9. INVESTMENT  Balance at 01 January Interest received  13,522,430 12,680,418 842,309 842,012		Agricultural products	48,158,881	56,423,876
Note: All stocks are at cost All costs of inventories have been expensed during the year.  9. INVESTMENT Balance at 01 January Interest received  13,522,430 842,309 12,680,418 842,012			8,513,084	8,565,853
Note: All stocks are at cost All costs of inventories have been expensed during the year.  9. INVESTMENT Balance at 01 January Interest received  13,522,430 842,309 12,680,418 842,012				
All costs of inventories have been expensed during the year.  9. INVESTMENT  Balance at 01 January Interest received  13,522,430 842,309 12,680,418 842,012			56,671,965	64,989,729
All costs of inventories have been expensed during the year.  9. INVESTMENT  Balance at 01 January Interest received  13,522,430 842,309 12,680,418 842,012		Note: All stocks are at cost		
9. INVESTMENT         Balance at 01 January       13,522,430       12,680,418         Interest received       842,309       842,012				
Balance at 01 January Interest received  13,522,430 842,309 12,680,418 842,012		1 0 /		
Interest received 842,309 842,012	9.	INVESTMENT		
Interest received 842,309 842,012		Balance at 01 January	13,522,430	12.680.418
Balance at 31 December 13,522,430				
		Balance at 31 December	14,364,739	13,522,430

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 14,364,739 as at 31 December 2008.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
10. TRADE AND OTHER RECEIVABLES	Rs.	Rs.
Trade receivables Prepayments	29,309,939 1,711,110	11,262,394 1,415,982
	31,021,049	12,678,376

### 11. MEDICAL ASSISTANCE FUND

This fund is made up of contributions by the Board and its employees and of interest accruing on the Savings account. This Fund is comprised of the following:

This rund is comprised in a following.		
Medical assistance fixed deposit account	1,500,000	1,500,000
Medical assistance savings account	1,580,061	1,160,509
	3,080,061	2,660,509
12. CASH AND CASH EQUIVALENTS		
Cash in hand	960,255	274,981
Bank overdraft	(17,556,164)	(108,404,128)
	(16,595,909)	(108,129,147)
13. CAPITAL GRANTS		
Opening balance - 01 January	25,042,000	28,883,000
Transfer to Income Statement	(3,841,000)	(3,841,000)
Closing balance - 31 December	21,201,000	25,042,000

Capital grants, received by way of building, plant, machinery and equipment, 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.

14. TRADING EQUALISATION RESERVE		
Balance as at 01 January	(109,847,709)	(15,873,114)
Effect of IFRS adoption: Retirement benefit obligations	_	(40,758,594)
Impairment	-	(2,576,240)
Provision for sick leave	-	(5,625,075)
Depreciation	-	(494,360)
Restated balance as at 01 January	(109,847,709)	(65,327,383)
Retained profit/loss for the year	92,204,848	(48,708,354)
Fire outbreak Port Louis Market Fund reinstated	-	4,188,028
Balance as at 31 December	(17,642,861)	(109,847,709)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
15. RENOVATION RESERVE	Rs.	Rs.
Balance as at 01 January	98,111,315	111,860,248
Amortisation	(13,748,932)	(13,748,933)
Balance as at 31 December	84,362,383	98,111,315

A renovation reserve of Rs 166,855,975 was created in the year 2003 in the light of the renovation of the cold stores in 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.

### 16. REVALUATION RESERVE

Revaluation reserve 3,502,820 3,502,820

The assets held by the Board at Cluny, Nouvelle France were revalued by the Government Valuation Office in July 2007. Assets with a net book value of Rs 10,221,000 were revalued at Rs 13,723,820.

### 17. NON CURRENT PAYABLES

Non current payables represents provision for sick leave.

Provision for sick leave	8,859,623	6,250,090
The provision for sick leave is payable as follows:		
Current liabilities Payable within one year	674,383	625,015
Non-current liabilities Payable after one year	8,185,240	5,625,075
	8,859,623	6,250,090

### 18. RETIREMENT BENEFIT OBLIGATIONS

The Board operates a defined benefit scheme for qualifying employees which is managed by SICOM Ltd. Under the scheme, the employees are entitled to retirement benefits at 66.6 per cent of their final salary on attainment of retirement age. The schemes are funded schemes.

The most recent actuarial valuations of the plan assets and the present value of the defined benefit obligation were carried out at 31 December 2008 by SICOM Ltd. The present value of the defined benefit obligation, the related current service costs and past service costs were measured using the projected unit credit method.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
18. RETIREMENT BENEFIT OBLIGATIONS (Continued)	Rs.	Rs.
Amounts recognised in balance sheet at the end of the year		
Present value of funded obligation Fair value of plan assets	124,130,916 (64,075,372)	109,183,023 (68,424,429)
	60,055,544	40,758,594
Present value of unfunded obligation Unrecognised actuarial gain / (loss) Unrecognised transitional amount	(17,990,661) -	- - -
Liability recognised in balance sheet at end of year	42,064,883	40,758,594
Amounts recognised in income statement:		
Current service cost Fund expenses Interest cost Expected return on plan assets Actuarial (gain) / loss recognised Past service cost recognised	3,368,532 121,513 11,464,217 (7,572,318)	3,259,037 92,459 10,177,445 (6,469,435) -
Transition effect of adopting IAS 19	-	
Total included in staff costs	7,381,944	7,059,506
Movement in liability recognised in balance sheet:		
At start of year Total staff cost as above Contributions paid	40,758,594 7,381,944 (6,075,655)	38,322,050 7,059,506 (4,622,962)
At end of year	42,064,883	40,758,594
Actual return on plan assets:	36,503,193	28,009,162
Main actuarial assumptions at end of year:		
Discount rate Expected rate of return on plan assets Future salary increases Future pension increases	10.50% 11.00% 7.50% 5.50%	10.50% 11.00% 7.50% 5.50%



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
18. RETIREMENT BENEFIT OBLIGATIONS (Continued)	Rs.	Rs.
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of period	109,183,023	96,928,044
Current service costs	3,368,532	3,259,037
Employee contributions	15,418	8,453
Interest costs	11,464,217	10,177,445
Benefits paid	(5,139,912)	(4,124,851)
Liability (gain) / loss	5,239,638	2,934,895
Present value of obligations at end of period	124,130,916	109,183,023
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	68,424,429	58,605,994
Expected return on plan assets	7,572,318	6,469,435
Employer contributions	6,075,655	4,622,962
Employee contributions	15,418	8,453
Benefits paid and other outgo	(5,261,425)	(4,217,310)
Asset gain / (loss)	(12,751,023)	2,934,895
Fair value of plan assets at end of period	64,075,372	68,424,429
	2008	2007
Distribution of plan assets at end of period		
Percentage of assets at end of year	%	%
Government securities and cash	57.40%	46.20%
Loans	8.70%	9.10%
Local equities	19.20%	26.70%
Overseas bonds and equities	13.60%	17.00%
Property	1.10%	1.00%
Debenture stocks	0.00%	0.00%
Total	100%	100%
	2008	2007
Additional disclosure on assets issued or used by the reporting entity	2008	2007
Additional disclosure on assets issued or used by the reporting entity Percentage of assets at end of year	2008	<b>2007</b> %
Percentage of assets at end of year	%	%
Percentage of assets at end of year  Assets held in the entity's own financial instruments	% <b>0</b> %	<b>%</b>
Percentage of assets at end of year	%	%



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
18. RETIREMENT BENEFIT OBLIGATIONS (Continued)	Rs.	Rs.
History of obligations, assets and experience adjustments		
Fair value of plan assets Present value of defined benefit obligations	64,075,372 (124,130,916)	68,424,429 (109,183,023)
Deficit	(60,055,544)	(40,758,594)
Asset experience (loss)/ gain during the period Liability experience (loss) during the period	(12,751,023) (5,239,638)	2,934,895 (2,934,895)
Year	2009	
Expected employer contributions	Rs. 6,829,373	



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 19. LONG TERM BORROWINGS

	20	08	20	07
	€	Rs	€	Rs
Buildings - Note (a )		20,738,538		20,738,538
Onion & seed Stores - Note (b)	806,398	37,157,211	806,398	34,456,584
	806,398	57,895,749	806,398	55,195,122
Loan payable within 1 year	44,800	2,064,289	44,800	1,914,254
Loan payable within 2-5 years	179,200	8,257,155	179,200	7,657,016
Loan payable within 6-10 years	223,999	10,321,444	223,999	9,571,270
Loan payable more than 10 years	358,399	37,252,860	358,399	36,052,581
Long Terms Loans	761,598	55,831,460	761,598	53,280,868
Rate EURO/Rs.	46.078		42.729	

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.

### **20. TRADE AND OTHER PAYABLES**

Trade payables Other payables Accruals Provision for sick leave Provision for passage benefits Deposits on seeds and others

2008	2,007
Rs.	Rs.
29,459,706	29,790,021
74,641	58,370
10,478,945	7,792,543
674,383	625,015
2,247,392	2,057,316
5,865,241	10,572,660
48,800,308	50,895,925



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
21. SHORT TERM BORROWINGS		
Proportion of long term borrowings repayable within one year	2,064,289	1,914,254
22. COST OF SALES		
Opening stock Purchases Closing stocks	56,423,876 349,173,426 (48,158,881)	54,046,712 454,162,639 (56,423,876)
	357,438,421	451,785,475
23. DONATIONS		
Donations	5,513,159	-

The AMB's dairy unit was closed at the end of May 2008 as the unit was making losses over recent years. Donations to the tune of Rs 5m were made to four cooperative societies involved in milk production for the setting up of their own pasteurisation unit. They received Rs 1.25m each. An amount of Rs 513,159 was donated as a relief to some 16 planters affected by erratic germination in the region of Cote D'or, Alma, Gentilly and L'Assurance.

4				

Administrative fee received	861,607	967,376
Storage rent receivable	25,684,627	13,593,492
Sundry income	1,976,121	1,684,617
Amortisation of renovation reserve	13,748,932	13,748,932
Amortisation of grant	3,841,000	3,841,000
Interest	1,102,122	848,785
	47,214,409	34,684,202
25. FINANCE COSTS		
Interest on long term loans from Government of Mauritius and EDF	1,204,715	1,192,472
Interest on bank overdraft and import loans	5,874,198	10,044,470
'		
	7,078,913	11,236,942
26. (LOSS)/ GAIN ON EXCHANGE		
(Loss)/Gain on exchange	(2,700,627)	2,095,089

Transactions 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 translation are transferred to the Income Statement.

### 27. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Board.

Total emoluments and benefits 1,295,434 1,069,674



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 28. EXPLANATION OF TRANSITION TO IFRSs

This is the first year that the AMB has presented its financial statements in accordance with IFRS (International Financial Reporting Standards). The following disclosures are required in the year of transition. The last financial statements under previous GAAP were for the financial year ended 31 December 2007 and the date of transition to IFRSs was therefore . 1 January 2007.

The Accounting policies were changed on 01 January 2008 to comply with IFRS. The transition to IFRS is accounted for in accordance with IFRS First-time Adoption of International Financial Reporting Standards, with 01 January 2007 as date of transition.

The changes in accounting policies as a consequence of the transition to IFRS are described below, and the reconciliations of the effects of the transition to IFRS are presented in the notes to the first IFRS financial statements.

The transition to IFRS resulted in the following changes in accounting policies:

Sick leave

Employees entitlement to refund for unutilised sick leave and accumulated passage benefits defined in the PRB 2008 Report (The Regulatory Body for determination of remuneration for public sector, including the AMB) not recognised as a liability under previous GAAP is now recognised under IAS.

Retirement benefit obligations

The AMB operates a defined benefit scheme for qualifying employees which is managed by the SICOM Ltd, as detailed out in note 18 to the Financial Statements. Plan assets or liabilities not previously recognised are being recognised under IAS 19.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 28. EXPLANATION OF TRANSITION TO IFRSs (Cont'd)

### Reconciliation of Profit for the year ended 31 December 2007 under previous GAAP to IFRS

	Under Previous GAAP Rs	Effect of Transition Rs	Under IFRS Rs
Income	K2	KS	KS
Turnover Cost of sales	475,379,642 (451,785,475)	- -	475,379,642 (451,785,475)
	23,594,167		23,594,167
Expenditure			
Operating Expenses Administrative Expenses Retirement benefit obligations Provision for leave passages Provision for sick leave Impairment of asset Depreciation charges	54,481,357 14,698,289 - 806,649 - - 27,858,575 97,844,870	2,436,544 - 5,625,075 2,576,240 494,360 11,132,219	54,481,357 14,698,289 2,436,544 806,649 5,625,075 2,576,240 28,352,935
Deficit from operations	(74,250,703)	(11,132,219)	(85,382,922)
Other income	34,684,202	-	34,684,202
Finance costs	(11,236,941)	-	(11,236,941)
Gain on exchange	2,095,089	-	2,095,089
Net deficit for the year	(48,708,353)	(11,132,219)	(59,840,572)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

# 28. EXPLANATION OF TRANSITION TO IFRSs (Cont'd)

Property, plant and equipment

Assets held for sale

Loans receivable

Current Assets

Inventories nvestment

Intangible assets

Non-Current Assets

Effects of adopting IFRS on Balance Sheet at 31 December 2007 and at 01 January 2007 (Date of transition) respectively

11.4.	31 December 2007		As at 01 Janua	As at 01 January 2007 (date of transition to IFRS)	ion to IFRS)
Under Previous GAAP	Effect of Transition	Under IFRS	Under Previous GAAP	Effect of Transition	Under
Rs	Rs	Rs	Rs	Rs	Rs
184,269,740	(2,366,123)	181,903,617	208,890,349		208,890,349
	958,343	958,343	1	1	
	1,840,000	1,840,000			
	1,157,251	1,157,251			
184,269,740	1,589,471	185,859,211	208,890,349		208,890,349
64,989,729	·	64,989,729	62,599,637	·	62,599,637
13,522,430	1	13,522,430	12,680,418		12,680,418
1,519,794	(1,157,251)	362,543			
12,258,824		12,258,824	16,164,928		16,164,928
3,080,061		3,080,061			
274,981		274,981	74,933		74,933
95,645,819	(1,157,251)	94,488,568	916'615'16	! !    - 	916′619′16
279,915,559	432,220	280,347,779	300,410,265		300,410,265

### TOTAL ASSETS

rade and other receivables Cash and cash equivalents

Loan receivables

Medical Assistance

## **EQUITY AND LIABILITIES**

rading Equalisation reserve Medical Assistance Fund Capital and Reserves Revaluation reserve Renovation reserve Capital grants

### Non-Current Liabilities

Retirement benefit obligations Long term borrowings Non current payables

### **Current Liabilities**

Trade and other payables Short term borrowings Bank overdraft

# TOTAL EQUITY AND LIABILITIES

300,410,265		300,410,265	280,347,779	432,220	279,915,559
116,101,531		116,101,531	161,214,307		61,214,307
85,175,632		85,175,632	108,404,128	•	08,404,128
•		ı	2,064,289		89
30,925,899		30,925,899	50,745,890		50,745,890
95,548,489	38,322,050	57,226,439	99,664,537	46,383,669	53,280,868
38,322,050	38,322,050		40,758,594	40,758,594	
•		ı	5,625,075	5,625,075	
57,226,439		57,226,439	53,280,868		53,280,868
88,760,245	(38,322,050)	127,082,295	19,468,935	(45,951,449)	65,420,384
111,860,248		111,860,248	98,111,315		98,111,315
		•	3,502,820	3,502,820	
2,212,161		2,212,161	2,660,509	•	2,660,509
(54,195,164)	(38,322,050)	(15,873,114)	(109,847,709)	(49,454,269)	(60,393,440)
28,883,000		28,883,000	25,042,000		25,042,000



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 28. EXPLANATION OF TRANSITION TO IFRSs (Cont'd)

Notes to the reconciliation of equity at 01 January 2008	
• • • • • • • • • • • • • • • • • • • •	Amount
	Rs
Equity as at 31 December 2006 under previous GAAP	127,082,295
Effect of transition to IFRS	
Retirement benefit obligations	(38,322,050)
Equity as at 01 January 2007 under IFRS	88,760,245
Equity as at 31 December 2007 under previous GAAP	65,420,384
Effect of transition to IFRS	
Retirement benefit obligations Impairment Provision for sick leave Revaluation reserve Depreciation	(40,758,594) (2,576,240) (5,625,075) 3,502,820 (494,360)
Equity as at 01 January 2008 under IFRS	19,468,935



SCHEDULES TO THE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

APPENDIX I

	2008	2007
		Restated
OPERATING AND ADMINISTRATIVE EXPENSES	Rs.	Rs.
Operating expenses(storage cost)		
Salaries	30,908,870	26,746,018
Electricity and water	31,886,313	21,994,091
Insurance	844,634	1,313,990
Repairs and maintenance	4,353,341	3,133,496
Security services	2,431,342	1,155,039
General expenses - store	201,571	138,722
Impairment of fixed asset	-	2,576,240
Retirement benefit obligations	929,043	1,783,574
Provision for sick leave	1,972,407	4,351,028
Provision for leave passages	613,528	548,200
	74,141,049	63,740,398
Administrative expenses		
Salaries	12,550,820	9,791,775
Overseas travelling	106,187	221,377
Motor vehicle running expenses	1,675,684	1,734,819
Postage, printing and stationery	378,085	421,603
Advertising	236,160	233,197
Telephone	484,731	672,311
Legal and professional fees	546,054	349,971
Consultancy fees	-	20,000
Audit fees	175,000	175,000
General expenses	982,814	730,523
Board members fees	339,175	331,093
Rent of leasehold land	16,620	16,620
Retirement benefit obligations	377,246	652,970
Provision for sick leave	587,758	1,274,047
Provision for leave passages	308,960	258,449
	18,765,294	16,883,755
Total	92,906,343	80,624,153
Average number of employees for the year	185	185



# AGRICULTURAL MARKETING BOARD SCHEDULES TO THE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

FOR THE YEAR ENDED 31 DECEMBER 2008	DECEMBER 2008						APPENDIX II
		TRADIN	TRADING ACCOUNTS FOR THE YEAR 2008	OR THE YEAR 2	2008		
	SALES	OPENING	ADD PURCHASES	COST OF SALES	LESS CLOSING STOCK	NET COST OF SALES	GROSS PROFIT/ LOSS
PRODUCE	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Imported Ware Potatoes	44,583,432	-	54,644,957	54,644,957	(247,312)	54,397,645	(9,814,213)
Imported Seed Potatoes	61,308,414	1	52,223,929.92	52,223,930	ı	52,223,930	9,084,484
Local Ware Potatoes	42,947,390	30,478,334	32,524,528	63,002,862	(28,763,097)	34,239,765	8,707,625
Local Seed Potatoes	21,684,570	12,960,548	11,474,860	24,435,408	(11,357,188)	13,078,220	8,606,350
Imported Onions	231,816,442	5,141,045	135,333,268	140,474,313	(471,230)	140,003,083	91,813,359
Local Onions	6,209,691	1,729,641	3,326,895	5,056,536		5,056,536	1,153,155
RodriguesOnions	1,262,785	30,411	982,626	1,013,037		1,013,037	249,748
Imported Onion Seeds	6,015,020	1,650	6,864,515	6,866,165	(2,392,017)	4,474,148	1,540,872
Imported Garlic	92,765,327	3336117	25,389,378	28,725,495	(1,864,560)	26,860,935	65,904,392
Local Onions Seeds	282,140	54,750	200,000.00	254,750		254,750	27,390
Imported Turmeric	9762693.4	1,016,910	7,501,694.59	8,518,605	(1,856,622)	6,661,983	3,100,711
Imported Cardamons	7,797,703	422,344	4,963,231.85	5,385,576	(454,447)	4,931,129	2,866,574
Imported Bean Seeds	1,158,078	49,517	1,046,089	1,095,606	(76,385)	1,019,221	138,856
Milk	2,384,228	12,636	2,715,697	2,728,333		2,728,333	(344,104)
Imported Tomatoes	1,428,508	690,119	ı	690,119	(197,232)	492,887	935,621
Imported Cabbages	739,737		4,462,935	4,462,935		4,462,935	(3,723,198)
Imported Carrots	4,252,951		4,252,744	4,252,744		4,252,744	206
Imported Glass Jars	1,167,738	499,614	414,697	914,311	(478,716)	435,595	732,143
Local Ginger	222,944	240	137,134	137,374	(75)	137,299	85,645
Leno bags	475,147		700,172.35	700,172		700,172	(225,025)
Others, Giro Netting	12,897		14,075	14,075		14,075	(1,178)
TOTAL	538,277,835	56,423,876	349,173,426	405,597,302	(48,158,881)	357,438,421	180,839,414



APPENDIX III

### PROPERTY, PLANT AND EQUIPMENT - CLUNY STORE

	Building	Plant and machinery	Conveyors
COST/ VALUATION	Rs.	Rs.	Rs.
At 01 January 2007 Revaluation Impairment Transfer to held for sale	21,700,000 - (2,576,240) -	34,070,000 3,502,820 - (5,037,516)	4,567,883 469,633 - 5,037,516
At 31 December 2007	19,123,760	32,535,304	5,037,516
At 01 January 2008 Additions	19,123,760 -	32,535,304	5,037,516 -
At 31 December 2008	19,123,760	32,535,304	5,037,516
DEPRECIATION			
At 01 January 2007 Charge for the year Post revaluation adjustment	3,038,000 434,000 (59,913)	23,849,000 3,407,000 554,273	3,197,516 - -
At 31 December 2007	3,412,087	27,810,273	3,197,516
At 01 January 2008 Charge for the year Post revaluation adjustment	3,412,087 434,000 (59,913)	24,612,757 3,407,000 554,273	3,197,516 - -
At 31 December 2008	3,786,174	28,574,030	3,197,516
NET BOOK VALUE			
At 31 December 2008	15,337,586	3,961,274	1,840,000
At 31 December 2007	15,711,673	7,922,547	1,840,000