

Agricultural Marketing Board



ANNUAL REPORT

2011



AGRICULTURAL MARKETING BOARD

2011 ANNUAL REPORT



T A B L E O F C O N T E N T

Vision & Mission Statements	3
Statement of Chairman	4
General Manager's Review	5
Corporate Governance Report	6
Operational Overview	14
Seeds	17
Table Potatoes	23
Onions	26
Garlic	29
Other Controlled Products	30
Other Products	30
Report of the Director of Audit	31
Financial Statements as at 31 December 2011.....	36



OUR VISION

To be an internationally competitive partner for
the Agri-Business
and
Agro-Industry

OUR MISSION

To maximise consumer satisfaction
by
providing high quality and innovative
products and services
reliably and cost effectively



STATEMENT OF CHAIRMAN

Date: 01 March 2013

The Honourable Satya Veyash FAUGOO

Minister of Agro-Industry and Food Security

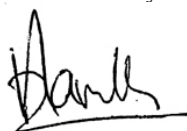
Ministry of Agro-Industry and Food Security

Port Louis

Sir

I have the honour to submit the Annual Report of the Agricultural Marketing Board for the year ended 31st December 2011 in accordance with the provision of Section 25 of the Mauritius Agricultural Marketing Act (1963).

Yours faithfully



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

Chairman



GENERAL MANAGER'S **REVIEW**

The Agricultural Marketing Board (AMB) was established in 1964, as a response to the need to promote diversification in the agricultural landscape of Mauritius. Primarily, the role of AMB at that time was to ensure that the country's supply of certain basic food products was constant and that prices of those products remained affordable.

Having fulfilled this role for a number of crucial years post-independence, AMB has had to adapt to the ever-changing scenarios, in order to fulfil not only its traditional role, but also meet new and more challenging tasks.

AMB is currently the nation's foremost wholesaler of onions, potatoes, garlic, cardamom and turmeric (powder and finger). Our purchases from local producers increased considerably during 2011 given our fruitful endeavours to get closer to planters, through regular field visits, culminating in our vehicles going to the fields to collect freshly harvested produce, thus ensuring quality produce and saving the planters the extra cost of transporting same to AMB.

Besides its wholesaling activities, AMB has had to undertake many other activities to ensure its sustainability in the agro-industry which had become more complex with the entry of new players from the private sector and with the imminent import liberalisation of all the products in which it deals. Accordingly, and in line with its Reform Plan, AMB engaged itself in retailing activities across Mauritius, whereby products were delivered to retailers by our own vehicles, as well as selling same directly to the general public through retail outlets and market stalls, which were operated exclusively by our employees.

Another fundamental function of AMB in 2011 was in relation to the food security of the nation, through the management of the various Seed Purchase Schemes. These schemes are of utmost importance vis-à-vis the Government's goal of achieving self-sufficiency in the production of onions and potatoes, as well as in boosting up the local production of garlic. In line with the achievement of these vital objectives, AMB co-organised two major

events with the Ministry of Agro-Industry and Food Security, namely the Launching Ceremony of the Garlic Seed Purchase Scheme on 12th May 2011 at Crève Coeur and the Local Potato Harvest Ceremony at La Brasserie on 09 August 2011.

In order to maintain its valued relationship with the planting community, AMB sponsored the children of planters in pursuing their higher education, under the scholarship scheme run by the Small Planters' Welfare Fund (SPWF). Furthermore, we offered sponsorship for the Planters Excellence Award Scheme (PEAS), initiated by the same organisation. AMB also participated in World Food Day 2011 organised by the Ministry of Agro-Industry and Food Security, as well as in a number of fairs organised by other Ministries.

In 2012, AMB will be involved in the implementation of the Freight Rebate Scheme, which is a 2012 budgetary measure, as well as in the setting up of a National Wholesale Market, which will change the landscape of vegetable and fruit trading in Mauritius. In addition to this, AMB envisages heavy capital investment in 2012 so as to permit us to engage in a plethora of new activities in a bid to become a more diverse business.

Perhaps the most notable development in the near future for AMB will be our transformation from a parastatal body into a corporate entity, regulated by the Companies Act. This is a change that is due to take place in 2012 and will inevitably have a profound effect on the way AMB operates, especially as our activities will be expected to become more and more commercial, and therefore profitable. Nonetheless, it should be noted that there will be an expectation that AMB will continue to fulfil a number of social roles, similar to those it currently fulfils.

On this note, I hereby thank the Chairman and members of the AMB Board, the Ministry of Agro-Industry and Food Security, as well as all other stakeholders for their continuous and valued support over the past year.

I firmly believe that the coming year will be a new milestone in the existence of the AMB.



R. J. R. RAMA
General Manager



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 and Economic Development
- d) A representative of the Ministry of Industry, Commerce and Consumer Protection
- e) The Registrar of Co-operative Societies or his representative
- f) Not more than 7 nor less than 5 other members, appointed annually by the Minister.



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

The Board's responsibility for the financial statements

The Board is responsible for the preparation and fair representation of the financial statements in accordance with prevailing accounting standards.

Responsibilities of Board Members

Board Members are to lay the overall policies regulating the various activities of AMB, including the strategic direction and the organisational structure.

BOARD COMPOSITION

Chairman

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

Vice Chairman

Mrs M. Nathoo (Up to July 2011)
Mr D. Conhye (From August 2011)
[Alternate: Mr N. Ramburuth]

} Representative of the
Ministry of Agro-Industry
and Food Security

Ex Officio Members

Mr P. Buchoo – Representative of the Ministry of Finance and Economic Development

Mrs S. Joomun-Sairally (Up to April 2011)

Mrs N. Sobdar (May to September 2011)

Mrs P. Rampadarath (From October 2011)

} Representative of the Ministry of Industry,
Commerce and Consumer Protection

Mr K. Khelawon [Alternate: Mrs M. Boodram] – Representative of the Registrar of Co-operative Societies

Independent Member: Mr H. Daby, Mr B. Manikam, Mr M. Wadallee, Dr D. Dumur, Mr R. Rajcumar (Up to April 2011), Mr J. P. Teeluck (From May 2011)



TERMS OF REFERENCE & COMPOSITION OF SUB-COMMITTEES UNDER AMB BOARD

In view of the complexity of administrative and operational matters at AMB, the Board has set up the following Sub-Committees with specific mandates:

- ✧ Audit Committee,
- ✧ Finance & Tender Committee,
- ✧ Quota Committee,
- ✧ Staff Committee &
- ✧ Supplies Committee.



Audit Committee – Terms of Reference

The Audit Committee gives the Board a means to monitor an effective internal control system and reinforces both the internal control system and the internal audit function. The roles, objectives and responsibilities of the Audit Committee include:

- overseeing the integrity of the financial statements of the organisation regarding accounting estimates, judgments made by Management and implementation of new accounting principles or regulations;
- reviewing financial reports quarterly and annually;
- reviewing internal financial control system and addressing risks which threaten the achievement of the organisation's objectives;
- monitoring and reviewing the effectiveness of the organisation's internal audit function;
- making recommendations to the Board in relation to the appointment of the external auditors;
- monitoring and reviewing the external auditor's independence, objectivity and effectiveness.

Audit Committee – Composition

Chairperson

Mr P. Buchoo – Representative of the Ministry of Finance and Economic Development

Members

Mrs M. Nathoo (Up to July 2011)

Mr D. Conhye (From August 2011)

[Alternate: Mr N. Ramburuth]

} Representative of the Ministry of Agro-Industry and Food Security

Mrs S. Joomun-Sairally (Up to April 2011)

Mrs N. Sobdar (From May to September 2011)

Mrs P. Rampadarath (From October 2011)

} Representative of the Ministry of Industry, Commerce and Consumer Protection

Mr K. Khelawon [Alternate: Mrs M. Boodram] – Representative of the Registrar of Co-operative Societies

Mr R. Rajcumar (Up to April 2011) – Independent Member

Mr J. P. Teeluck (From May 2011) – Independent Member



Finance & Tender Committee – Terms of Reference

The Finance & Tender Committee has been empowered to consider, review, report and recommend to the Board on the following:

- that all procurements are made as per the rules set by the prevailing Public Procurement Act and relevant legislations;
- approval of the letting of all relevant tenders and procurement contracts other than those for controlled produce with an estimated value exceeding the General Manager's delegated authority which is currently Rs 100,000;
- assessment of tenders in the light of the evaluation report submitted by Management. Approval/recommendation submitted based on outcome from technical and financial evaluation;
- statements from Management clearly indicating the source of additional funds which will be required prior to acceptance of any tenders by the Finance & Tender Committee, if such tenders fall outside the budget provision;
- details of the tenders called and let, including the nature of the procurement contract, budget provision, number of tenders received, value of successful tender, name of successful bidder and, if the successful bidder was not the lowest tender, the reasons thereof for selection. Thus ensuring that the lowest most responsive bidder be awarded.

Finance & Tender Committee – Composition

Chairperson

Mrs M. Nathoo (Up to July 2011)	}	Representative of the Ministry of Agro-Industry and Food Security
Mr D. Conhye (From August 2011)		
[Alternate: Mr N. Ramburuth]		

Members

Mr K. Khelawon [Alternate: Mrs M. Boodram] – Representative of the Registrar of Co-operative Societies

Mr H. Daby – Independent Member

Mr B. Manikam – Independent Member

Mr R. Rajcumar (Up to April 2011) – Independent Member

Mr J. P. Teeluck (From May 2011) – Independent Member



Quota Committee – Terms of Reference

The Quota Committee has been constituted to allocate quotas to prospective importers with respect to imports of controlled products.

In the exercise of its function, the Quota Committee shall independently, in consultation with Management, decide on the quantum of imports to be liberalized and all criteria to be adhered to for registration and import. Hence, the Quota Committee shall ensure:

- ▶ that imported products are not put up for sale when local production is available;
- ▶ the adequate supply of quality products on the market by planning the country's annual imports requirement;
- ▶ that a strategic buffer stock and fund is available to cater for any unforeseen climatic conditions or diseases affecting local production / supply. AMB will be responsible for the management of the Buffer Stock and Funds.

Quota Committee – Composition

Chairperson

Dr D. Dumur – Independent Member

Members

Mrs M. Nathoo (Up to July 2011)

Mr D. Conhye (From August 2011)

[Alternate: Mr N. Ramburuth]



Representative of the Ministry of Agro-Industry
and Food Security

Mr K. Khelawon [Alternate: Mrs M. Boodram] – Representative of the Registrar of
Co-operative Societies

Mr B. Manikam – Independent Member

Mr R. Rajcumar (Up to April 2011) – Independent Member

Mr J. P. Teeluck (From May 2011) – Independent Member



Staff Committee – Terms of Reference

The Staff Committee has been empowered to consider and decide on all staff matters. In the exercise of its function, the Staff Committee shall in consultation with Management decide on all matters starting from the recruitment until the resignation / dismissal / retirement of employees.

Staff Committee – Composition

Chairperson

Mrs M. Nathoo (Up to July 2011)

Mr D. Conhye (From August 2011)

[Alternate: Mr N. Ramburuth]



Representative of the Ministry of Agro-Industry
and Food Security

Members

Mrs S. Joomun-Sairally (Up to April 2011)

Mrs N. Sobdar (From May to September 2011)

Mrs P. Rampadarath (From October 2011)



Representative of the Ministry of Industry,
Commerce and Consumer Protection

Mr H. Daby – Independent Member

Dr D. Dumur – Independent Member

Mr R. Rajcumar (Up to April 2011) – Independent Member

Mr J. P. Teeluck (From May 2011) – Independent Member



Supplies Committee – Terms of Reference

The Supplies Committee has been empowered to decide on procurement of all controlled products.

In the exercise of its function, the Supplies Committee shall independently in consultation with Management decide of the quantum, source, variety, quality, timing and price of all orders to be placed. Hence, the Supplies Committee shall:

- Ensure adequate supply of quality products on the market;
- Approve or otherwise the procurement of controlled products for resale.

Supplies Committee – Composition

Chairperson

Dr D. Dumur – Independent Member

Members

Mrs M. Nathoo (Up to July 2011)

Mr D. Conhye (From August 2011)

[Alternate: Mr N. Ramburuth]



Representative of the Ministry of Agro-Industry and Food Security

Mrs S. Joomun-Sairally (Up to April 2011)

Mrs N. Sobdar (From May to September 2011)

Mrs P. Rampadarath (From October 2011)



Representative of the Ministry of Industry, Commerce and Consumer Protection

Mr B. Manikam – Independent Member

Mr M. Wadallee – Independent Member



SITTINGS OF THE BOARD AND ITS SUB-COMMITTEES

	2011
Board Meeting	9
Special Board Meeting	10
Audit Committee	2
Finance & Tender Committee	2
Quota Committee	12
Staff Committee	6
Supplies Committee	35
Total	76

OTHER COMMITTEES

- National Potato Committee
- National Onion and Garlic Committee

REMUNERATION OF BOARD MEMBERS

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

Board Members	Fees (Rs)
Mr J. Ramkisson, G.O.S.K.	252,000
Mrs M. Nathoo	18,830
Mr D. Conhye	20,580
Mr N. Ramburuth	7,845
Mrs S. Joomun-Sairally	11,850
Mrs N. Sobdar	9,675
Mrs P. Rampadarath	5,065
Mr K. Khelawon	13,250
Mr P. Buchoo	4,805
Mr B. Manikam	38,350
Mr H. Daby	12,100
Mr M. Wadallee	27,900
Dr D. Dumur	49,835
Mr J. P. Teeluck	13,100
Mr R. Rajcumar	8,300
Mr K. Govind	575



ADMINISTRATIVE STAFF

General Manager	Mr P. Ramnawaz (<i>up to April 2011</i>)	Dip, Post Graduate Diploma (Management)
	Mr R. J. R. Rama (<i>from May 2011</i>)	Bachelor of Laws
Administrative Secretary	Mr N. A. Hasowa (<i>acting from April 2011</i>)	BCom with specialisation in Human Resource Management
Head Operations Officer	Mr B. H. Ramdin	Higher Diploma Business Administration
Seeds Officer	Mr R. Sookun (<i>acting</i>)	BSc (Hons) Agriculture
Trade and Marketing Officer	Mr B. Ramcharan	BSc (Hons) Economics
Engineer	Mr A. S. Jeehoo	B. Eng (Mechanical Engineering) MSc (Project Management)
Accountant	Mrs S. M. Woodun (<i>acting</i>)	Dip. In Accountancy ACCA (Level II)
Internal Auditor	Mr R. H. Toofany (<i>from February 2011</i>)	ICSA ACCA MSc E-Business
Human Resource Management Officer	Mr N. A. Hasowa (<i>up to March 2011</i>)	BCom with specialisation in Human Resource Management
	Mr M. Ramdhuny (<i>acting from April 2011</i>)	Diploma in Human Resource Development
IT Officer	Miss K. Rawa	BSc Information Systems

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PROFESSIONAL SERVICES

- a) **AUDITOR** – The National Audit Office
- b) **BANKERS** – State Bank of Mauritius Ltd
Mauritius Commercial Bank Ltd
Bank of Baroda
Mauritius Post and Cooperative Bank Ltd
- c) **CONSULTANT** – HLB Appavoo & Associates



OPERATIONAL REVIEW

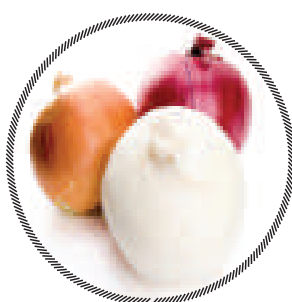
The Agricultural Marketing Board (AMB) is a parastatal body, established in 1964, and it operates under the aegis of the Ministry of Agro-Industry and Food Security. By virtue of the Mauritius Agricultural Marketing Act (1963), AMB is vested with wide powers in matters relating to imports and exports, warehousing, distribution and sales of commodities declared as 'Controlled Products'. AMB currently deals in the following products:-

! potatoes	! turmeric (powder and finger)	! onion seed
! onions	! cardamoms	! bean seed
! garlic	! peeled canned tomatoes	! glass jars
! ginger	! potato seed	! polymesh bags

At times 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, which are paid for, based on well established specifications. Furthermore AMB has started the practice of collecting the produce from the fields, to avoid planters the hassle of having to transport same to Moka.

However, during off-season period, AMB has recourse to imports to ensure supply on the local market. Potatoes and onions are imported both, by AMB and the privates as per allocated quota, only during period when there is no local production, so as not to get engaged in unfair competition vis-à-vis the local planting community. As far as other products like garlic, turmeric (powder and finger) and cardamoms are concerned, where local production is still negligible, imports are regularly made by AMB during the year, to satisfy customer demand.



STORAGE FACILITIES AT AMB

It is worth noting that AMB provides storage facilities at competitive rates to importers, exporters and other operators wishing to avail of same.

(i) Head Office Moka

Cold rooms operated by AMB at its Head Office, Moka, have a total storage capacity of 8,000 tonnes. All the cold rooms use ozone friendly refrigerant. The temperature of the cold rooms goes down to 0° Celsius. Depending on the specificities of the products and the length of time that the products will be stored in cold rooms, the temperature as well as the level of humidity are adjusted / controlled accordingly, with a view to optimize on the quality of the products thereby extending the shelf life. AMB also provides storage facilities to private operators for the storage of their products at competitive rates.

(ii) AMB Cold Store – Airport

A cold store is also operated by AMB in the compound of the Sir Seewoosagur Ramgoolam International Airport at Plaisance, to the benefit 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 m³. The temperature goes down to +2° Celsius except for one cold room of capacity 330 m³, 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.

(iv) AMB Store – Cluny

AMB's cold store at Cluny, which has a storage capacity of 2,000 tonnes, has been leased to Vita Rice Ltd.

(v) Other Stores

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.



AMB'S RETAILING UNITS

Apart from the belowmentioned retail units, AMB is contemplating opening other retail outlets and operating additional market stalls in the near future in other parts of the island.

	LOCATION	DAYS	STALL NO.
1	Quatre Bornes Market	Wednesdays and Saturdays	215
2	Vacoas Market	Tuesdays and Fridays	457, 458
3	Curepipe, Forum	Wednesdays and Saturdays	418, 419
4	Curepipe, Jan Palach	Everyday except Sundays	56
5	Rose Belle Market	Wednesdays	638, 639
		Sundays	935, 939
6	Quartier Militaire (Ex Feed Distribution Centre)	Sundays	Retail Outlet
7	Rivière des Anguilles (Ex Feed Distribution Centre)	Saturdays	Retail Outlet
8	Moka, AMB	Everyday except Sundays	Retail Outlet

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LOCAL SEED POTATO FOR WARE PRODUCTION

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, AMB continued to provide seed producers a guaranteed price. The price at which AMB purchased seeds (size 30g – 175g) from producers was revised from Rs 31,100 per tonne in 2010 to Rs 30,340 per tonne in 2011.

In 2011, 841.6 tonnes of potato seeds (661.1 tonnes – Spunta & 180.5 tonnes – Belle Isle) were produced as compared to 707.7 tonnes (565.7 tonnes – Spunta & 142 tonnes – Belle Isle) in 2010.

Seeds for ware production were sold in 2011 to planters by AMB at a weighted average price of Rs 45,200 / T for both Spunta (local and imported) and Delaware (imported) seeds, while Belle Isle seeds were sold at Rs 37,000 / T.

PURCHASE OF LOCAL SEED POTATO BY AMB

PRODUCER	Quantity (T)		
	Spunta	Belle Isle	Total
Beau Plan	160.3	-	160.3
Belle Vue	120.7	-	120.7
Mon Desert Alma	132.6	-	132.6
MSIRI (extension)	-	125.9	125.9
Nouvelle Industrie	111.8	-	111.8
SLDC	53.4	54.6	108
D. Dayanand	70.6	-	70.6
Jhurry	11.7	-	11.7
Total	661.1	180.5	841.6

!



IMPORTED SEED POTATO FOR WARE PRODUCTION

Since the year 2009, the Government had approved the private import of seed potato for ware production only, that is, with no resale allowed. The table below provides the quantity imported both by AMB and privates in 2011.

	Variety	Origin	Supplier	Quantity Imported (T)	
AMB	Spunta	The Netherlands	HZPC	99.5	
		Australia (Western)	Southern Packers	13.5	
			Lake Jasper	26.5	
	Southern Packers		456		
	Lake Jasper		28		
	Delaware	Southern Packers	160		
		Lake Jasper	9		
Mondial					
				792.5	
MCA	Spunta	The Netherlands	Stet Holland	133	
		Australia (Western)	Lake Jasper	95	
	Delaware	Australia (Western)	Lake Jasper	15	
	Bellini	The Netherlands	Stet Holland	1.25	
				244.25	
Cope Sud	Spunta	Australia (Western)	Lake Jasper	25	
			Southern Packers	25	
	Delaware		Lake Jasper	175	
			Southern Packers	325	
	Spunta	The Netherlands	TPC	28	
				Exquisa	20
				Antea	28
				Barcelona	10
				Ratte	0.5
				Burren	28
				664.5	
Medine SE	Spunta	The Netherlands	Stet Holland	22.5	
	Bellini			3.8	
	New varieties			1.2	
	Spunta	Australia (Western)	Lake Jasper	30	
	Delaware			15	
	New varieties			0.8	
	Atlas	France	Germicopa	15	
				88.3	
MAMCF	Spunta	The Netherlands	Stet Holland	110	
	New varieties (mostly Cal White)	USA	US Potato Board	25	
				135	
Individual	Spunta	Australia (Western)	Southern Packers	25	
Grand Total				1,949.55	

!



COST OF IMPORTED SEED POTATO FOR WARE PRODUCTION BY AMB

Variety	Origin	Average Price C&F (Rs/Tonne)	Quantity (Tonne)
Delaware	Australia	33,800	484
Spunta	Australia	34,900	40
Spunta	The Netherlands	27,825	99.5
Mondial	Australia	34,200	169
Total			792.5

!

The weighted average cost of imported seed potato was Rs 33,191 per tonne (C&F) in 2011.

SALES OF SEED POTATO FOR WARE PRODUCTION BY AMB

Producer Groups	Local Seeds		Imported Seeds			Total (T)
	Spunta	Belle Isle	Spunta	Mondial	Delaware	
Sugar Estates	51	1	9.5	-	25	86.5
SIT	-	-	-	-	24.5	24.5
Others	471	109	124.2	164.5	421.7	1,290.4
Total	522	110	133.7	164.5	471.2	1,401.4

!



SEED POTATO FOR SEED PRODUCTION

SALES OF SEEDS

In 2011, 162 tonnes of the basic imported Spunta seeds from HZPC were allocated for seed production and 35 tonnes of Belle Isle seeds were allocated for same purpose.

Variety	(Tonnes)		
	Local	Imported	Total
Spunta	-	162	162
Belle Isle	35	-	35
Total	35	162	197



BASIC IMPORTED SEEDS

Basic seeds were imported from HZPC for multiplication.

VARIETY	ORIGIN	AVERAGE COST C&F (Rs / TONNE)	QUANTITY (TONNE)
Spunta	The Netherlands	27,825	175

!

In 2011, 175 tonnes of basic seeds variety 'Spunta' were imported from HZPC (Netherlands) for multiplication at the selling price of Rs 39,200/- per tonne.

The selling prices to seed producers were as follows:

- (i) Belle Isle seeds – Rs 37,000 / T &
- (ii) Basic Spunta seeds (imported) – Rs 39,200 / T.



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

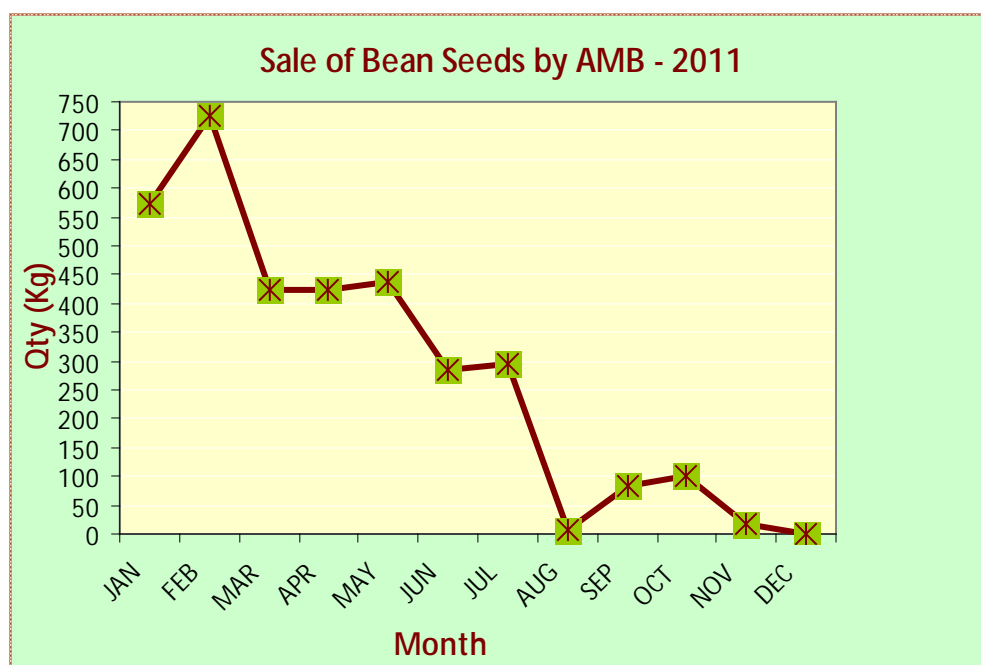


In 2011, AMB procured 3,400 kg of the popular Long Tom variety of bean seeds from its international supplier Pop Vriend Seeds B. V. for sale at a competitive price to planters.

VARIETY	ORIGIN	AVERAGE COST C&F (Rs / TONNE)	QUANTITY (TONNE)
Long Tom	The Netherlands	138,660	3,400 kg

!

SALES OF BEAN SEEDS BY AMB



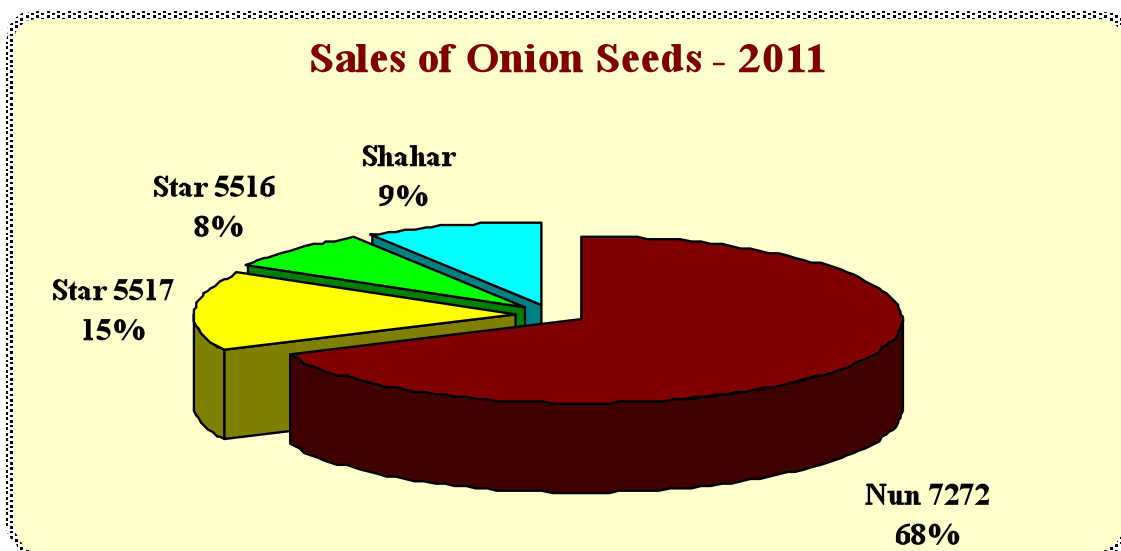
The sales of bean seeds declined as from the month of July 2011, due to the limited quantity of the produce at AMB, caused by an unavailability of same at AMB's supplier.



ONION SEEDS

With a view to provide a service to the planting community, AMB continued to procure onion seeds (varieties recommended by the Agricultural Research and Extension Unit) from international companies and through local representatives of foreign companies in Mauritius, on requests of planters. In line with the objective of the 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	Price (Rs / Kg)
Nun 7272	16,650
Star 5517	11,800
Star 5516	11,800
Shahar	5,600

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

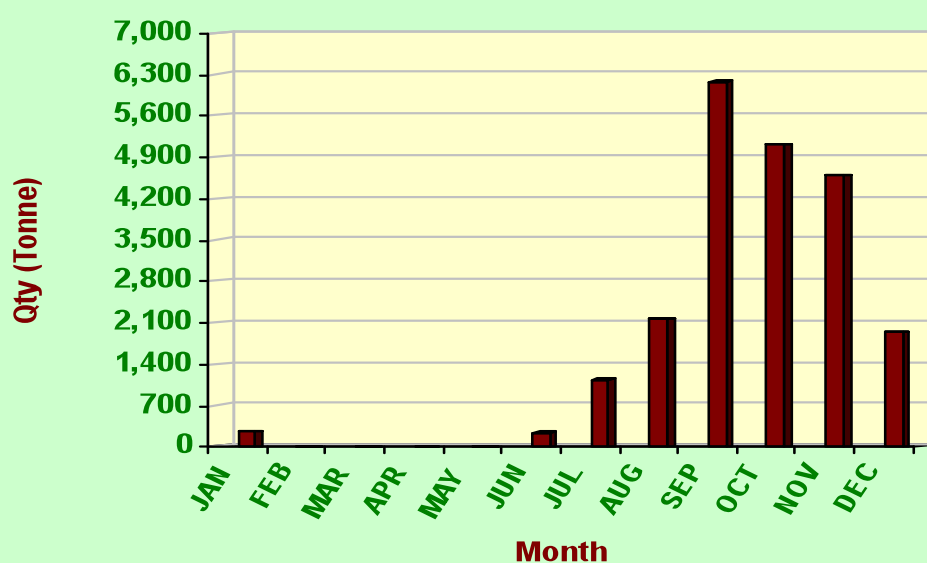
LOCAL PRODUCTION AND IMPORTS

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)
January	26.7	247	-
February	-	-	-
March	-	-	1,316.00
April	-	-	1,282.50
May	-	-	1,996.50
June	13.0	238	1,291.50
July	62.6	1,126	308.00
August	116.1	2,162	-
September	248.8	6,176	-
October	222.2	5,104	-
November	231.9	4,573	-
December	89.6	1,935	-
Total	1,010.9	21,561	6,194.50

In 2011,
21 561 tonnes
of table potatoes were
produced
in Mauritius.

Source: Statistics Mauritius & AMB (Imports only)

Local Production of Table Potatoes - 2011



PURCHASE OF LOCAL WARE POTATOES BY AMB

To better regulate the supply and the retail price of table potatoes on the local market, AMB continued to purchase surplus production, at floor prices, for storage, which were in turn released as and when the need arose. Accordingly, AMB had purchased 3,607.64 tonnes of local table potatoes for storage at the following floor prices:

- (i) Rs 21,300 / T (ware potatoes from Spunta and Delaware seeds)
- (ii) Rs 18,000 / T (ware potatoes from Belle Isle seeds)

IMPORTS OF TABLE POTATOES

As in previous years, import of table potatoes was undertaken by both AMB and private importers in 2011. The latter were allocated quotas for import during period when local production was not available so as to encourage local producers.

In 2011, AMB imported 3,244.5 tonnes of table potatoes while private parties imported 2,950 tonnes.

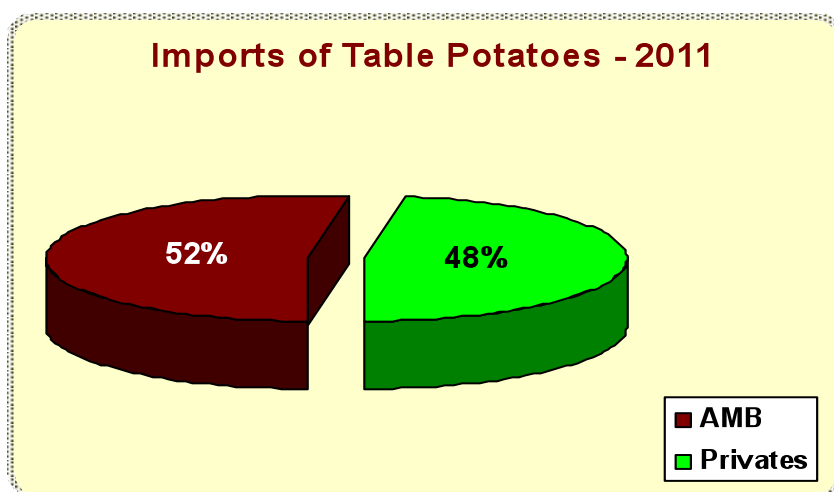
IMPORTS & COST OF IMPORTS OF TABLE POTATOES

COUNTRY OF ORIGIN	QUANTITY (TONNE)	WEIGHTED AVERAGE C&F/(RS/TONNE)
India	3,164	14,145
Australia	52	14,296
Pakistan	28.5	14,721
Total	3,244.5	14,152

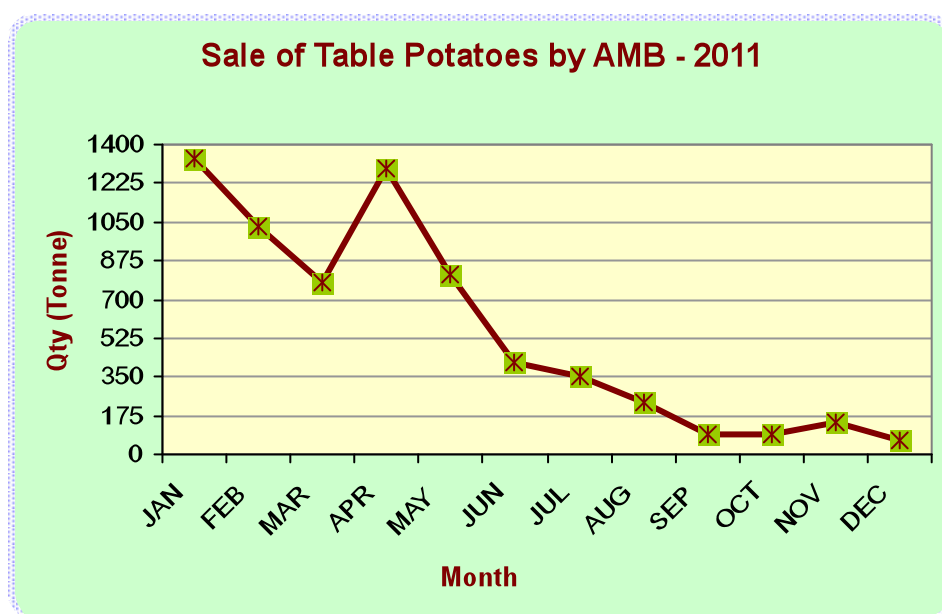
The weighted average cost of imports (C&F) for AMB, in 2011, was Rs 14,152 per tonne.



IMPORTS BY AMB V/S PRIVATE IMPORTERS



SALE OF TABLE POTATOES BY AMB



Sale of table potatoes at AMB is effected only during the off-season. As soon as local harvest is in full swing, AMB sells only through its retail outlets, market fairs and its distribution vans. As such, sales at AMB started to fall as from the month of April / May due to the imports effected by private parties. The sale declined further as a result of local harvest, whereby dealers procured potatoes directly from planters.

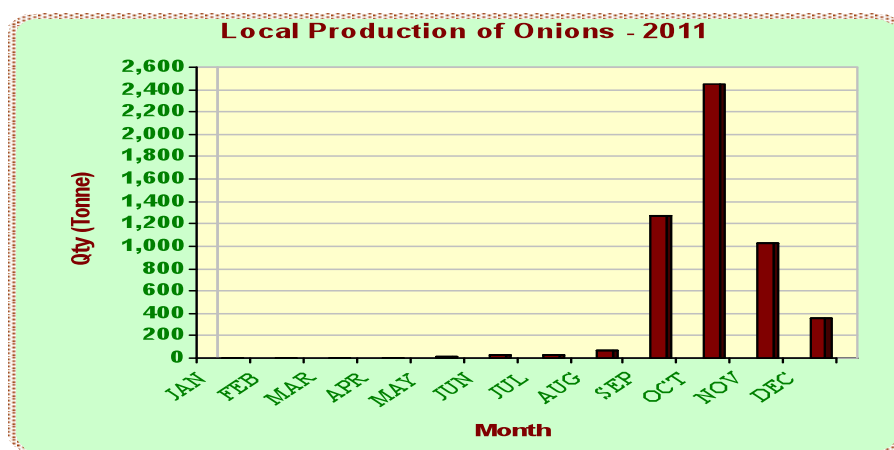
To cater for the total requirement of onions in the country, the market was supplied through local production as well as through imports.

LOCAL PRODUCTION AND IMPORTS

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)
January	-	-	841.50
February	-	-	1,169.50
March	-	-	1,739.73
April	-	-	868.50
May	1.7	9	1,605.50
June	6.0	33	1,025.00
July	3.1	22	975.00
August	4.9	68	644.00
September	48.1	1,272	1,008.00
October	114.5	2,449	-
November	44.2	1,033	84.00
December	14.5	355	1,827.00
Total	237	5,241	11,787.73

!

Source: Statistics Mauritius & AMB (Imports only)



In 2011, 237 hectares of onions were cultivated and a total of 5,241 tonnes of onions were produced.

PURCHASE OF LOCAL ONIONS BY AMB

In 2011, AMB purchased 275 tonnes of local onions from planters at a floor price of Rs 20,500 per tonne.

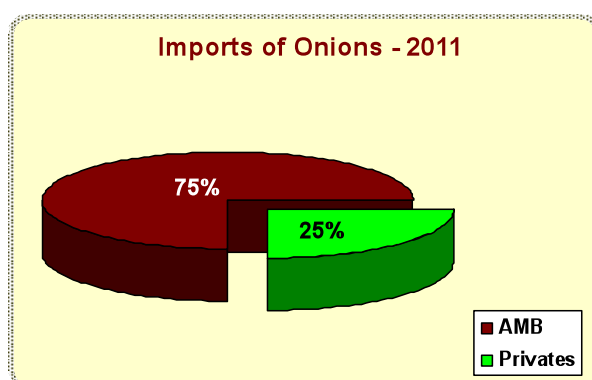


IMPORTS & COST OF IMPORTS – ONIONS

COUNTRY OF ORIGIN	QUANTITY IMPORTED (TONNE)	AVERAGE COST C&F Rs/TONNE
India	5,410	17,063
South Africa	738	20,781
China	616	21,543
Egypt	829	25,023
Netherlands	534	26,283
Pakistan	673	23,090
Total	8,800	19,459

The weighted average cost of imports (C&F) for AMB, in 2011, was Rs 19,459 per tonne.

IMPORTS BY AMB V/S PRIVATE IMPORTERS



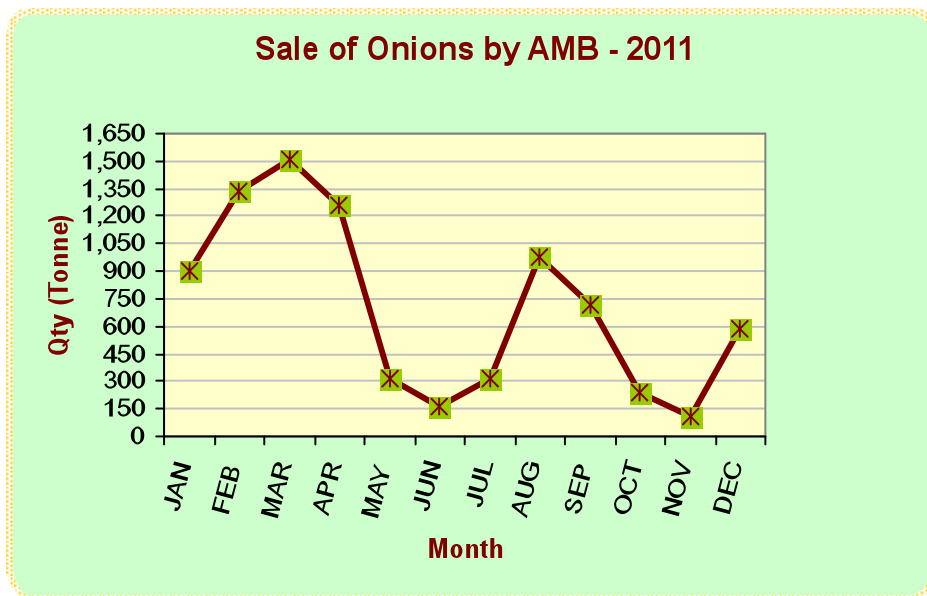
AMB had to import a greater volume of onions in 2011 (8,800.23 tonnes) than private parties (2,987.5 tonnes), as a result of the ban on exports of onions in India, due to a shortage in its production. Accordingly, the excess import of onions by AMB was made from other sources like South Africa, China, Egypt, Netherlands and Pakistan, in order to ensure regular supply on local market.



RODRIGUES ONIONS

AMB continued to purchase onions from Rodrigues at a fair price in line with the objective to support its agricultural sector. In 2011, 102.82 tonnes were purchased.

SALE OF ONIONS BY AMB



The sale of onions at AMB during the first quarter of the year was high due to imports being effected only by AMB, as a result of the ban on exports in India, which remains the major source of imports by private parties. The sales started to decline as from April due to the imports effected by private parties. As soon as local harvest was in full swing, sales at AMB started to fall again reaching its lowest point in November, given that dealers began to procure onions directly from planters.



AMB continued to ensure regular supply of garlic on the local market through imports since local production remained negligible. However, with the launching of the Garlic Seed Purchase Scheme in 2011, AMB sold local garlic planting material for multiplication. Hence, in same year, AMB purchased 3,481 kg of planting material at a premium price of Rs 150 per kg, which had been earmarked for sale during the forthcoming year's campaign. Accordingly, the local production of garlic is expected to rise in the near future.

Local production of garlic was only 34 tonnes in 2011 while imports amounted to 1,624 tonnes.

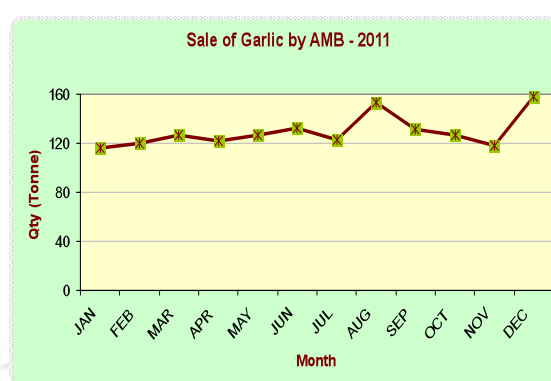
LOCAL PRODUCTION AND IMPORTS

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)
January	-	-	84
February	-	-	112
March	-	-	224
April	-	-	56
May	-	-	84
June	-	-	-
July	-	-	308
August	-	-	224
September	2.0	13	140
October	1.6	11	112
November	1.5	10	224
December	-	-	56
Total	5.1	34	1,624



Source: Statistics Mauritius & AMB (Imports only)

SALE OF GARLIC



The sale of garlic varied in the range of 116 to 155 tonnes per month except for a peak of 158 tonnes in December 2011.

OTHER CONTROLLED PRODUCTS

CARDAMOMS

ORIGIN	IMPORT
	Quantity (Tonne)
India	14
Guatemala	4
Total	18



TURMERIC (POWDER & FINGER)



PRODUCT	ORIGIN	Quantity (Tonne)
Turmeric Powder	India	152
Turmeric Finger	India	70.5

OTHER PRODUCTS

PEELED CANNED TOMATOES

AMB usually ensures availability of canned tomatoes to supply the local market in period of shortage of fresh tomatoes, particularly following natural calamities like cyclones and droughts. Given the sufficient stock at AMB, no import was effected in 2011.

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 2011, AMB imported 100,740 units of glass jars.

COCONUTS (Ad hoc import)

Coconuts were imported in 2011 by AMB, at the request of the Ministry of Agro-Industry and Food Security, to counteract forecasted shortage on the market.



Products	Country of Origin	Units
Coconuts	India	237,500





**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Agricultural Marketing Board
for the year ended 31 December 2011**



NATIONAL AUDIT OFFICE





NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF

AGRICULTURAL MARKETING BOARD

Report on the Financial Statements

I have audited the financial statements of the Agricultural Marketing Board which comprise the statement of financial position as of 31 December 2011, and the statement of financial performance, statement of changes in net assets/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 the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards and in compliance with the Statutory Bodies (Accounts and Audit) Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of Supreme Audit Institutions. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 for Qualified Opinion

Property, Plant and Equipment - Rs 110,170,453

The Fixed Asset Register was not complete and its module in the Integrated Business Solution Software was not used.

Fully depreciated assets comprising Stores Equipment and Palletisation assets as well as four motor vehicles costing Rs 29,085,583 and Rs 1,989,474 respectively and still in use were not accounted for in accordance with applicable accounting standards.

Inventories – Rs 149,332,183

No year end physical stock take of imported as well as the local onions and potatoes amounting to Rs 124,375,535 was carried out.

Trade and Other Receivables – Rs 48,344,045

Included in the above figure was a sum of Rs 21,533,216, representing Trade Receivables, out of which Rs 2,423,556 related to dishonoured cheques. Out of this amount, Rs 904,867 were treated as bad debts and Rs 1,383,270 were outstanding since the year 2001.

Loan Term Borrowings – Rs 52,150,969

No repayment of capital and interest for Government and EDF loans amounting to Rs 5,094,342 and Rs 9,074,883 respectively was made since the year 2007.

Cost of Sales Rs 488,780,054

A total of 237,500 units of coconuts, which is a non controlled product, were imported at a total cost of Rs 6,286,836. The Board had incurred a loss of Rs 3,887,773 that is, over 60 per cent of the purchase price on the above imported product.

Regarding the importation of 330 tons of onions for the sum of Rs 8,341,712, a loss of Rs 1,952,791 was recorded. Shrinkage for this consignment of onions after sales amounted to 12 tons 939 kg.

The Board has not clearly defined a policy regarding the shrinkage of products.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the attached financial statements give a true and fair view of the financial position of the Agricultural Marketing Board for the year ended 31 December 2011, and of its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards.



Report on Other Legal and Regulatory Requirements

Management's Responsibility for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them.

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the authorities which govern them. This responsibility includes performing procedures to obtain audit evidence about whether the agency's expenditure and income have been applied to the purposes intended by the legislature. Such procedures include the assessment of the risks of material non-compliance.

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

Opinion on Compliance

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations I have required for the purpose of my audit.

In my opinion, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Statutory Bodies (Accounts and Audit) Act.



(Dr R. JUGURNATH)
Director of Audit
National Audit Office
Level 14
Air Mauritius Centre
PORT LOUIS

24 October 2012



FINANCIAL STATEMENT AS AT 31 DECEMBER 2011



AGRICULTURAL MARKETING BOARD

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

ASSETS	Notes	2011 Rs.	2010 Rs. (Restated)	2009 Rs. (Restated)
Non-Current Assets				
Property, plant and equipment	4	110,170,453	126,217,622	143,558,016
Intangible assets	5	1,858,193	2,176,953	46,131
Loans receivable	6	936,502	936,053	1,310,619
		112,965,148	129,330,628	144,914,766
Current Assets				
Inventories	7	149,332,183	148,906,605	81,480,616
Loans receivable	6	18,097	104,345	552,683
Investment	8	16,099,754	15,333,099	14,602,951
Trade and other receivables	9	48,344,045	50,256,512	21,184,776
Medical assistance fund	10	4,268,951	3,861,466	2,943,720
Cash and cash equivalents	11	17,445,226	812,520	11,243,710
		235,508,257	219,274,547	132,008,456
TOTAL ASSETS		348,473,405	348,605,175	276,923,223
EQUITY AND LIABILITIES				
Capital and reserves				
Retained earnings	12	154,170,372	91,417,460	7,120,717
Medical Assistance Fund	10	4,268,951	3,861,466	2,943,720
Renovation reserve		-	-	70,613,451
Revaluation reserve	13	3,033,187	2,563,554	3,033,187
		161,472,510	97,842,480	83,711,075
Non-Current Liabilities				
Non current payables	14	10,184,773	6,679,318	8,724,781
Retirement benefit obligations	15	47,487,917	46,206,850	45,098,669
Deferred income	16	18,051,535	19,482,300	16,177,045
Long-term borrowings	17	50,405,835	52,319,727	54,541,309
		126,130,060	124,688,195	124,541,804
Current Liabilities				
Trade and other payables	18	58,233,345	72,020,135	55,492,579
Short term borrowings	19	1,745,134	1,857,717	1,988,398
Deferred income	16	766,255	434,000	4,173,255
Bank overdraft	11	126,101	51,762,648	7,016,113
		60,870,835	126,074,500	68,670,345
		348,473,405	348,605,175	276,923,223

Approved by


CHAIRPERSON



GENERAL MANAGER



AGRICULTURAL MARKETING BOARD

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 Rs.	2010 Rs.
Revenue			
Turnover		635,428,909	476,347,890
Cost of sales	20	(488,780,054)	(385,436,577)
		146,648,855	90,911,313
Expenses			
Staff costs		56,573,672	50,369,378
Legal and professional fees		855,509	588,750
Board member fees		512,150	509,325
Motor vehicles running expenses		982,787	1,076,903
Electricity, water and telephone		35,683,522	35,634,422
Overseas travelling		-	32,614
Repairs and maintenance		6,622,654	5,468,996
Bad debts		400,000	-
Rent of leasehold land		16,620	16,620
Marine insurance		304,344	-
Security services		1,366,062	2,265,548
Other general and administrative expenses		4,307,505	4,701,673
Depreciation and amortisation		24,532,413	24,120,591
Total expenses		132,157,239	124,784,820
Surplus / (deficit) from operations		14,491,617	(33,873,507)
Other income	21	46,589,206	42,293,984
Deferred income	16	766,255	434,000
Finance costs	22	(1,782,887)	(1,640,472)
Gain on exchange	23	1,373,689	8,364,654
Net surplus for the year		61,437,880	15,578,659



AGRICULTURAL MARKETING BOARD **STATEMENT OF CHANGES IN EQUITY** **FOR THE YEAR ENDED 31 DECEMBER 2011**

	Medical Assistance Fund	Renovation Reserve	Retained Earnings	Revaluation Reserve	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at 01 January 2009	3,080,062	84,362,382	(17,642,861)	3,502,820	73,302,403
Transfer	-	(13,748,931)	-	-	(13,748,931)
Movement in Medical Assistance Fund	(136,342)	-	-	-	(136,342)
Realised revaluation surplus	-	-	469,633	(469,633)	-
Prior period adjustment	-	-	1,990,000	-	1,990,000
Net surplus for the year	-	-	22,303,945	-	22,303,945
Balance at 31 December 2009	2,943,720	70,613,451	7,120,717	3,033,187	83,711,075
Transfer **	-	(70,613,451)	70,613,451	-	-
Transfer(realised revaluation surplus)	-	-	469,633	(469,633)	-
Movement in medical assistance fund	917,746	-	-	-	917,746
Prior year adjustment	-	-	(2,365,000)	-	(2,365,000)
Net surplus for the year	-	-	15,578,659	-	15,578,659
Balance at 31 December 2010	3,861,466	-	91,417,460	2,563,554	97,842,480
Adjustment	-	-	1,315,032	469,633	1,784,665
Balance at 01 January 2011 (as re-presented)	3,861,466	-	92,732,492	3,033,187	99,627,145
Movement in medical assistance fund	407,485	-	-	-	407,485
Net surplus for the year	-	-	61,437,880	-	61,437,880
Balance at 31 December 2011	4,268,951	-	154,170,372	3,033,187	161,472,510

**

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.

During the financial year ended 31 December 2010, in order to harmonize capital disclosures as required by IFRS, the board had decided to transfer the balance of Rs 70,613,451 as at 31 December 2009 from the Renovation Reserve to Retained Earnings.

AGRICULTURAL MARKETING BOARD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2011

		2011	2010
	Notes	Rs.	Rs.
Cash flow from operating activities			
Net surplus for the year		61,437,880	15,578,659
Adjustments for:-			
Depreciation and amortisation		24,532,413	24,120,591
Over Depreciation		(1,519,392)	-
Retirement benefit obligations		1,281,067	1,108,180
Provision for sick leave		3,997,333	(2,045,463)
Profit on disposal		-	(355,755)
Grant amortised		(766,255)	(434,000)
Foreign exchange gain		(2,026,478)	(2,352,263)
Interest receivable		(2,206,643)	(1,552,696)
Interest payable		1,782,888	1,640,472
Operating surplus before working capital changes		86,512,812	35,707,725
Decrease / (increase) in trade and other receivables		1,912,467	(29,071,736)
Increase in inventories		(425,578)	(69,415,989)
Decrease in staff loans		85,799	822,904
(Decrease) / increase in trade and other payables		(13,786,790)	16,152,556
Cash generated from/(absorbed into) operations		74,298,711	(45,804,540)
Interest paid		(640,757)	(1,640,472)
Net cash flows from operating activities		73,657,954	(47,445,012)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(6,352,092)	(6,228,829)
Acquisition of intangible assets		(295,000)	(2,703,652)
Proceeds from disposal of non current assets		-	377,220
Investments		(948,252)	(730,148)
Interest received		2,206,643	1,552,696
Net cash from/(absorbed into) investing activities		68,269,253	(55,177,725)
Cash flows from financing activities			
Repayment of Government loan		-	-
Grant received		-	-
Net increase / (decrease) in cash and cash equivalents		68,269,253	(55,177,725)
Movements in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		(50,950,128)	4,227,597
Cash and cash equivalents at the end of the year	11	17,319,125	(50,950,128)
Net increase / (decrease) in cash and cash equivalents		68,269,253	(55,177,725)





AGRICULTURAL MARKETING BOARD

STATEMENT OF OUTTURN

FOR THE YEAR ENDED 31 DECEMBER 2011

	OPERATIONS		ADMINISTRATION		TOTAL	
	Revised Budget Rs	Actual Expenditure Rs	Revised Budget Rs	Actual Expenditure Rs	Revised Budget Rs	Actual Expenditure Rs
Salaries	35,022,088	33,977,497	15,452,514	15,800,953	50,474,602	49,778,450
Electricity and water	36,352,518	35,497,752	-	-	36,352,518	35,497,752
Insurance	1,732,979	1,732,978	-	-	1,732,979	1,732,978
Marine insurance	304,344	304,344	-	-	304,344	304,344
Repairs and maintenance	6,037,213	5,389,323	830,000	1,238,431	6,867,213	6,627,754
Security services	1,630,277	1,391,180	-	-	1,630,277	1,391,180
General expenses	589,877	505,100	897,714	1,074,971	1,487,590	1,580,070
Motor vehicle running expenses	945,864	723,318	315,288	241,106	1,261,152	964,424
Postage, printing and stationery	-	-	902,307	509,245	902,307	509,245
Advertising	-	-	599,002	515,924	599,002	515,924
Telephone	-	-	413,171	439,855	413,171	439,855
Legal and professional fees	-	-	420,400	316,226	420,400	316,226
Consultancy fees	-	-	180,000	180,000	180,000	180,000
Training expenses	-	-	407,750	221,985	407,750	221,985
Audit fees	-	-	275,000	175,000	275,000	175,000
Board member fees	-	-	581,842	458,537	581,842	458,537
Rent of leasehold land	-	-	16,620	-	16,620	-
Overseas travelling	-	-	400,000	-	400,000	-
Total Recurrent Expenditure	82,615,158	79,521,492	21,691,607	21,172,231	104,306,765	100,693,723

Outturn for the fiscal year 2011 has been presented on a cash basis. Reasons for variances between budget and outturn are explained on page 43

AGRICULTURAL MARKETING BOARD

STATEMENT OF BUDGETS, ACTUAL CASH AND ACCRUED BASED AMOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	Original Budget Rs	Revised Budget Rs	Actual Received / Paid Rs	Financial Statements Rs
Revenue				
Turnover	431,160,325	-	644,453,087	635,428,909
Other income	66,192,924	-	42,419,706	46,589,206
	497,353,249	-	686,872,793	682,018,116
Purchases	414,782,600	-	502,447,081	493,528,421
Expenditure				
Salaries	60,062,000	50,474,602	49,778,450	49,756,974
Electricity and water	39,143,600	36,352,518	35,497,752	35,249,537
Insurance	1,375,000	1,732,979	1,732,978	1,732,978
Marine insurance	304,344	304,344	304,344	304,344
Repairs and maintenance	6,680,000	6,867,213	6,627,754	6,622,654
Security services	1,950,600	1,630,277	1,391,180	1,366,062
General expenses	1,357,000	1,487,590	1,580,070	1,556,509
Motor vehicle running expenses	1,475,500	1,261,152	964,424	982,787
Postage, printing and stationary	1,090,000	902,307	509,245	524,425
Advertising	600,000	599,002	515,924	493,594
Telephone	420,000	413,171	439,855	433,985
Legal and professional fees	900,000	420,400	316,226	400,509
Consultancy fees	180,000	180,000	180,000	180,000
Training expenses	600,000	407,750	221,985	221,985
Audit fees	175,000	275,000	175,000	275,000
Board members fees	600,000	581,842	458,537	512,150
Rent of leasehold land	16,620	16,620	-	16,620
Overseas travelling	1,000,000	400,000	-	-
Total recurrent expenditure	117,929,664	104,306,765	100,693,723	100,630,112
Total expenditure capitalised				
Plant and machinery	7,290,000	-	3,564,776	3,564,776
Stores, equipment and palletisation	4,135,000	-	2,349,156	2,349,156
Office equipment	100,000	-	108,982	108,982
Furniture and fittings	275,000	-	22,173	22,173
Computer equipment	780,000	-	307,005	307,005
Software	300,000	-	295,000	295,000
	130,809,664	104,306,765	107,340,815	107,277,204

AGRICULTURAL MARKETING BOARD

STATEMENT SHOWING RECONCILIATION OF ACTUAL CASH FLOWS WITH FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	31 Dec 2011
	Rs
Actual recurrent expenditure as per statement of outturn	100,693,723
Provisions and accruals	
Sick leave	3,997,332
Retirement benefits	1,281,067
Leave passages	1,316,314
Salaries	(21,476)
Electricity and water	(248,215)
Security services	(25,118)
General expenses	(23,562)
Motor vehicle running expenses	18,363
Postage, printing and stationery	15,180
Telephone	(5,870)
Legal, professional and consultancy fees	84,284
Audit fees	100,000
Board member fees	53,613
Rent of leasehold land	16,620
Repairs and maintenance	(5,100)
Advertising	(22,330)
Consultancy fees	-
	107,224,826
Non-cash items	
Depreciation	24,532,413
Bad debts	400,000
Recurrent expenditure as per statement of financial performance	132,157,239



AGRICULTURAL MARKETING BOARD

STATEMENT SHOWING REASONS FOR VARIANCES BETWEEN ORIGINAL AND REVISED BUDGET FOR THE YEAR ENDED 31 DECEMBER 2011

Expenditure	Original budget	Revised budget	Variances	Comments
	Rs	Rs	Rs	
Salaries	60,062,000	50,474,602	9,587,398	Not all vacant posts in the establishment have been filled
Electricity and water	39,143,600	36,352,518	2,791,082	To cater for an increase in tariffs
Insurance	1,375,000	1,732,979	(357,979)	Increase in premium rate
Repairs and maintenance	6,680,000	6,867,213	(187,213)	To cater for ad-hoc expenses
Security services	1,950,600	1,630,277	320,324	Change in contractor - lowest bidder
General expenses	1,357,000	1,487,590	(130,590)	To cater for ad-hoc expenses
Motor vehicle running expenses	1,475,500	1,261,152	214,348	Savings were under the item
Postage, printing and stationary	1,090,000	902,307	187,693	Savings were under the item
Advertising	600,000	599,002	998	Savings were under the item
Telephone	420,000	413,171	6,829	Savings were under the item
Legal and professional fees	900,000	420,400	479,600	Savings were under the item
Training expenses	600,000	407,750	192,250	Savings were under the item
Audit fees	175,000	275,000	(100,000)	Being under accrual of audit fees
Board members fees	600,000	581,842	18,158	Savings were under the item
Rent of leasehold land	16,620	16,620	-	Rent is payable by fixed amounts
Overseas travelling	1,000,000	400,000	600,000	No overseas travelling for the year

AGRICULTURAL MARKETING BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. CORPORATE 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 and Food 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.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial statements, and have been applied consistently by the Board.

(a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the requirements of International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB) which is a Board of the International Federation of Accountants Committee (IFAC). Where IPSAS is silent concerning any specific standard, the appropriate International Financial Reporting Standards (IFRS) are applied.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. They have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments.

The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or statements are disclosed in Note 3 Critical Accounting Estimates and Judgements.

The financial statements are presented in Mauritian Rupee (Rs), which is the Board's functional currency.

(b) ADOPTION OF IPSAS

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the accounting periods beginning on or after 01 January 2011 or later periods but which have not been early adopted. These new standards, amendments and interpretations are either not relevant to the Board's operations or are not expected to have a material effect on the accounting policies and disclosures.

(c) BASIS OF MEASUREMENT

The accounting principles recognised as appropriate for the measurement and reporting of the financial performance, cash flows, and financial position on an accrual basis using historical cost are followed in the preparation of the financial statements.



AGRICULTURAL MARKETING BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) 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 where no VAT is charged and recognised upon sale.

Revenue on rental is recognised on a monthly basis.

Capital grants related to assets are presented in the statement of financial position and are released to the statement of comprehensive income as deferred income.

(e) 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 statement of financial performance. Assets and liabilities denominated in foreign currency are translated in Mauritian rupees at the exchange rate ruling at the end of the reporting period.

(f) PROVISIONS

Provisions are recognised when the Board has a present obligation as a result of 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 statement of financial position date, and are discounted to present value where the effect is material.

(g) GRANTS

Asset-related grants are treated as deferred income and amortised over the expected useful lives of the related assets on a basis consistent with its depreciation policy.

(h) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the statement of financial position at fair value. For the purposes of the statement of cash flows, 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.



AGRICULTURAL MARKETING BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) 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%
Computer Software	5	20%

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 the statement of financial position.

(j) 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 consists 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 the ability to control the other party in making financial and operating decisions.

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



AGRICULTURAL MARKETING BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(1) RETIREMENT BENEFIT COST

State plan

Contributions to the National Pension Scheme are charged to the statement of financial performance 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 statement of financial position 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 statement of financial position 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.

(m) IMPAIRMENT

At the end of each reporting period, 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 of the asset is estimated in order to determine the extent of the impairment loss (if any).

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.

(n) BORROWING COSTS

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



AGRICULTURAL MARKETING BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised in the statement of financial position 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.

(ii) Trade and other receivables

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.

(p) 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 are 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

- (i) Inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency.
- (ii) 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).
- (iii) Failure to protect the Board's property (including its interest in its premises).
- (iv) 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.



AGRICULTURAL MARKETING BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In the application of the Board's accounting policies, which are described in note 2, the Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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.

3.1 Key sources of estimation uncertainty

With regards to the nature of the company's business there were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.





AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

PROPERTY, PLANT AND EQUIPMENT

COST/ VALUATION

At 01 January 2010

Additions

Disposal

At 31 December 2010

At 01 January 2011

Additions

Disposal

At 31 December 2011

DEPRECIATION

At 01 January 2010

Charge for the year

Disposal

At 31 December 2010

Balance at 01 January 2011 (as re-presented)

At 01 January 2011

Charge for the year

At 31 December 2011

NET BOOK VALUE

At 31 December 2011

At 31 December 2010

Note:

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

Building	Plant and machinery	Stores equipment and palletisation	Motor vehicles	Motor car	Office equipment	Furniture and fittings	Computer equipment	Waterproofing	Total
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
101,628,530	191,372,615	52,816,124	7,857,357	2,007,602	4,054,153	1,027,683	6,876,552	2,777,970	370,418,586
-	2,776,612	3,173,718	-	-	10,350	31,873	236,276	-	6,228,829
-	-	(172,819)	-	-	(121,110)	-	(323,610)	-	(617,539)
101,628,530	194,149,227	55,817,023	7,857,357	2,007,602	3,943,393	1,059,556	6,789,218	2,777,970	376,029,876
101,628,530	194,149,227	55,817,023	7,857,357	2,007,602	3,943,393	1,059,556	6,789,218	2,777,970	376,029,876
-	3,564,776	2,349,156	-	-	108,982	22,173	307,005	-	6,352,092
-	-	-	-	-	-	-	-	-	-
101,628,530	197,714,003	58,166,179	7,857,357	2,007,602	4,052,375	1,081,729	7,096,223	2,777,970	382,381,968
29,318,735	140,282,620	38,577,348	5,265,189	1,179,526	3,136,102	614,154	5,708,927	2,777,969	226,860,570
2,048,889	16,161,392	3,687,569	672,123	250,950	241,308	85,661	399,869	-	23,547,761
-	-	(151,357)	-	-	(121,110)	-	(323,610)	-	(596,077)
31,367,624	156,444,012	42,113,560	5,937,312	1,430,476	3,256,300	699,815	5,785,186	2,777,969	249,812,254
-	(822,510)	(662,760)	(9,713)	-	(24,409)	-	-	-	(1,519,392)
31,367,624	156,444,012	42,113,560	5,937,312	1,430,476	3,256,300	699,815	5,785,186	2,777,969	249,812,254
2,048,889	16,385,240	3,970,482	672,123	144,281	213,219	82,305	402,114	-	23,918,653
33,416,513	172,006,742	45,421,282	6,599,722	1,574,757	3,445,110	782,120	6,187,300	2,777,969	272,211,515
68,212,017	25,707,261	12,744,897	1,257,635	432,845	607,265	299,609	908,923	1	110,170,453
70,260,906	37,705,215	13,703,463	1,920,045	577,126	687,093	359,741	1,004,032	1	126,217,622

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	Rs.	Rs.
5. INTANGIBLE ASSETS		
Computer Software:		
Cost		
Balance at 01 January	5,704,219	3,000,567
Acquisitions	295,000	2,703,652.00
Balance at 31 December	5,999,219	5,704,219
Amortisation and impairment losses		
Balance at 01 January	3,527,266	2,954,436
Charge for the year	613,760	572,830
Balance at 31 December	4,141,026	3,527,266
Carrying amounts:		
At 31 December	1,858,193	2,176,953
6. LOANS RECEIVABLE		
Amount receivable within one year	18,097	104,345
Amount receivable after one year	936,502	936,053
	954,599	1,040,398
7. INVENTORIES		
Agricultural products	141,298,119	139,302,368
Spare parts, stationary, plastic sheets and leno bags	8,034,064	9,604,237
	149,332,183	148,906,605
8. INVESTMENT		
Balance at 01 January	15,333,099	14,602,951
Interest receivable	766,655	730,148
Balance at 31 December	16,099,754	15,333,099

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 16,099,754 as at 31 December 2011.

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

9. TRADE AND OTHER RECEIVABLES

Trade receivables

Prepayments

Food Security Fund savings account

2011	2010
Rs.	Rs.
21,533,216	30,557,394
13,852,404	19,699,118
12,958,425	-
48,344,045	50,256,512

10. 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:

Medical assistance fixed deposit account

Medical assistance savings account

3,300,000	3,108,000
968,951	753,466
4,268,951	3,861,466

11. CASH AND CASH EQUIVALENTS

Cash in hand and at bank

Bank overdraft

17,445,226	812,520
(126,101)	(51,762,648)
17,319,125	(50,950,128)

12. RETAINED EARNINGS

Balance as at 01 January

Overstatement of revaluation reserve 2010

Understatement of amortisation Plant & Machinery 2010

Over/Under Depreciation

Understatement of accruals 2010

Overstatement of provision for sick leave 2010

Understatement of Provision for passage benefit

Retained profit/loss for the year

Transfer from Renovation Reserve

Transfer(realised revaluation surplus)

Prior year adjustment - audit fees

Balance as at 31 December

91,417,460	5,130,717
(469,633)	-
332,255	-
1,519,392	-
(63,713)	-
81,203	-
(84,472)	-
61,437,880	15,578,659
-	70,613,451
-	469,633
-	(375,000)
154,170,372	91,417,460

According to the Mauritius Agricultural Marketing Act, the Trading and equalisation reserve represents the accumulated surplus/deficit of the Board. However in order to comply with the IFRS, the Trading and equalisation reserve has been transferred to retained earnings.

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 of 10 years.

During the financial year ended 31 December 2010, in order to harmonize capital disclosures as required by IFRS, the board decided to transfer the balance of Rs 70,613,451 as at 31 December 2009 from the Renovation Reserve to Retained Earnings.



AGRICULTURAL MARKETING BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	Rs.	Rs.
13. REVALUATION RESERVE		
Revaluation reserve	3,033,187	2,563,554

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.

14. NON CURRENT PAYABLES

Non current payables represent provision for sick leave.

Provision for sick leave	10,184,773	7,434,904
The sick leave is payable as follows:		
<i>Current liabilities</i>		
Payable within one year	759,596	755,586
<i>Non-current liabilities</i>		
Payable after one year	10,184,773	6,679,318
	10,944,369	7,434,904

15. 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 2011** 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.



AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

15. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Amounts recognised in statement of financial position

Present value of funded obligation

Fair value of plan assets

Present value of unfunded obligation

Unrecognised actuarial gain / (loss)

Unrecognised transitional amount

Liability recognised in statement of financial position

Amounts recognised in statement of comprehensive income:

Current service cost

(Employee Contributions)

Fund expenses

Interest cost

Expected return on plan assets

Actuarial (gain) / loss recognised

Past service cost recognised

Transition effect of adopting IAS 19

Total included in staff costs

Movement in liability recognised in statement of financial position:

At start of year

Total staff cost as above

Contributions paid

At end of year

Actual return on plan assets:

Main actuarial assumptions at end of year:

Discount rate

Expected rate of return on plan assets

Future salary increases

Future pension increases

2011	2010
Rs.	Rs.
128,387,103	125,984,542
(83,708,156)	(82,913,403)
44,678,947	43,071,139
2,978,204	-
(169,234)	3,135,711
-	-
47,487,917	46,206,850
3,131,368	3,386,199
(1,727,399)	(1,715,530)
123,920	126,449
13,228,377	12,016,756
(8,639,154)	(7,952,377)
-	-
-	-
-	-
6,117,112	5,861,497
46,206,850	45,098,669
6,117,112	5,861,497
(4,836,045)	(4,753,316)
47,487,917	46,206,850
2,066,247	7,075,486
10.50%	10.50%
10.50%	10.50%
7.50%	7.50%
5.50%	5.50%

The assets of the plan are invested in funds managed by State Insurance Company of Mauritius Ltd.

The discount rate is determined by reference to market yields on bonds.



AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

15. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Reconciliation of the present value of defined benefit obligation

	2011	2010
	Rs.	Rs.
Present value of obligation at start of period	125,984,542	114,445,299
Current service costs	3,131,368	3,386,199
Interest costs	13,228,377	12,016,756
Benefits paid	(7,711,018)	(6,140,417)
Liability (gain) / loss	(3,267,962)	2,276,705

Present value of obligations at end of period

131,365,307 125,984,542

Reconciliation of fair value of plan assets

Fair value of plan assets at start of period	82,913,403	75,635,937
Expected return on plan assets	8,639,154	7,952,377
Employer contributions	4,605,717	4,753,316
Employee contributions	1,727,399	1,715,530
Benefits paid and other outgo	(7,604,610)	(6,266,866)
Asset gain / (loss)	(6,572,907)	(876,891)

Fair value of plan assets at end of period

83,708,156 82,913,403

Distribution of plan assets at end of period

Percentage of assets at end of year

Government securities and cash	50.60%	52.20%
Loans	7.80%	7.80%
Local equities	23.20%	25.20%
Overseas bonds and equities	17.50%	14.00%
Property	0.90%	0.80%

Total

100% 100%

Additional disclosure on assets issued or used by the reporting entity

Percentage of assets at end of year

		%
Assets held in the entity's own financial instruments	0%	0%
Property occupied by the entity	0%	0%
Other assets used by the entity	0%	0%

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

15. RETIREMENT BENEFIT OBLIGATIONS (Continued)

History of obligations, assets and experience adjustments

	2011	2010
Rs.	Rs.	
Fair value of plan assets	83,708,156	82,913,403
Present value of defined benefit obligations	(131,365,307)	(125,984,542)
Deficit	(47,657,151)	(43,071,139)
Asset experience (loss)/ gain during the period	(6,572,907)	(876,891)
Liability experience (loss) during the period	3,267,962	(2,276,705)

Year

	2012	2011
Expected employer contributions	5,016,517	5,041,623

16. DEFERRED INCOME

	2011	2010
Rs.	Rs.	
Opening balance - 01 January	19,916,300	20,350,300
Adjustment year 2010	(332,255)	-
Transfer to Income Statement	(766,255)	(434,000)
Closing balance - 31 December	18,817,790	19,916,300

Classification:

Non current liabilities	18,051,535	19,482,300
Current liabilities	766,255	434,000
	18,817,790	19,916,300

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 statement of financial performance every year.



AGRICULTURAL MARKETING BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

17. LONG TERM BORROWINGS

	2011		2010	
	!	Rs	!	Rs
Buildings - Note (a)		20,738,538		20,738,538
Onion & seed Stores - Note (b)	806,398	31,412,431	806,398	33,438,906
	806,398	52,150,969	806,398	54,177,444
Loan payable within 1 year	44,800	1,745,135	44,800	1,857,717
Loan payable within 2-5 years	179,200	6,980,538	179,200	7,430,866
Loan payable within 6-10 years	223,999	8,725,673	223,999	9,288,583
Loan payable more than 10 years	358,399	34,699,624	358,399	35,600,278
Long Terms Loans	761,598	50,405,834	761,598	52,319,727
Rate EURO/Rs.	38.954		41.467	

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.

18. TRADE AND OTHER PAYABLES

	2011	2010
	Rs.	Rs.
Trade payables	11,806,076	20,724,736
Other payables	2,794,266	20,137,771
Accruals	11,895,337	9,425,341
Provision for sick leave	759,596	755,586
Provision for passage benefits	3,961,342	3,390,190
Deposits on seeds and others	2,078,703	1,209,351
Payment on account	11,979,600	-
Food Security Fund	12,958,425	16,377,160
	58,233,345	72,020,135

19. SHORT TERM BORROWINGS

Proportion of long term borrowings repayable within one year

	1,745,135	1,857,717
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AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	Rs.	Rs.
20. COST OF SALES		
Opening stock	141,472,140	70,345,259
Purchases	493,528,421	456,563,458
Closing stock	(141,298,119)	(141,472,140)
	493,702,442	385,436,577
Adjustment	(4,922,388)	-
	488,780,054	385,436,577
21. OTHER INCOME		
Administrative fee received	15,290,521	12,730,581
Storage rent receivable	25,040,029	23,233,963
Gain on disposal	-	355,755
Sundry income	2,089,156	3,861,126
Late blight disease written back	-	559,862
Gain on Uncertified Seeds	1,398,316	-
Interest	2,206,643	1,552,697
Other income written back	564,541	-
	46,589,206	42,293,984
22. FINANCE COSTS		
Interest on long term loans from Government of Mauritius and EDF	1,142,130	1,208,957
Interest on bank overdraft and import loans	640,758	431,515
	1,782,887	1,640,472
23. GAIN ON EXCHANGE		
Gain on exchange	1,373,689	8,364,654

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 end of the reporting period and gains or losses on translation are transferred to the statement of comprehensive income.

24. 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	1,423,830	1,282,520
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25. RECONCILIATION OF ORIGINAL BUDGET AND REVISED BUDGET

Basically, expenditure is approved during the last board meeting of the year. The original budget for the fiscal year 2011 was approved in December 2010 and no additional funds were needed during the fiscal year.

AGRICULTURAL MARKETING BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

26. RECONCILIATION OF BUDGETARY RESULTS AND RESULTS AFTER IPSAS ADJUSTMENTS FOR THE YEAR

The Statement of Comparison of Budgeted and Actual Amounts at page 11 shows the budgetary results reconciled with the results after IPSAS adjustments for the period as reported in the financial statements. IPSAS adjustments are accounting entries required to conform to IPSAS and are not Part of the Board's budgetary reporting. These adjustments principally concern accrual accounting relating to expenses and revenues, property, plant and equipment and related amortization, depreciation and impairment together with provisions deemed necessary.

In order to reconcile the budget outturn results to the results after IPSAS adjustments for the period, differences between budget accounting and accrual accounting need to be taken into account. The most significant of these differences are the following:

- (a) In budget accounting, revenue is required to cover all committed expenditures. In accrual accounting, revenue and expenses only includes amounts corresponding to amounts accruing to the period. The difference is treated as deferred revenue or expenses in accrual accounting.
- (b) In budget accounting, capital expenditures are recorded as current year expenses. In accrual accounting this expense is capitalised and depreciated over the useful lives of the assets. These capital expenditures and associated depreciation are recorded at their net value as assets in the Statement of Financial Position. Depreciation expense is recorded in the Statement of Financial Performance.
- (c) In budget accounting, expenditure for employee benefits is accounted for on a pay as you go basis as is the case for payments of pensions on retirement. In accrual accounting, the expense is estimated by an actuary in accordance with a methodology set out in accounting standards. Basically, the pension and post-employment benefits obligation is to be reported in the Statement of Financial Position.
- (d) In budget accounting, revenue is recorded during the fiscal year 2011 on a cash basis. In accrual accounting these revenues are recorded as revenue when the client is billed and adjusted by provisions for bad debts.

27. PRIOR PERIOD ADJUSTMENT

The closing inventory figures for the year ended 31 December 2009 were understated by Rs 1,990,000. And the audit fees for the year ended 31 December 2010 amounting to Rs 375,000 were not accrued. Accordingly the comparative figures for the years ended 31 December 2009 and 2010 have been restated.

The result of the above restatement is summarized as follows:

Statement of financial performance

	Before restatement	Adjustment	After restatement
	2009	2009	2009
	Rs	Rs	Rs
Inventories	79,490,616	1,990,000	81,480,616
Retained earnings	5,130,717	1,990,000	7,120,717
	2010	2010	2010
	Rs	Rs	Rs
Trade and other payables	71,645,135	375,000	72,020,135

28. EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting period which would require disclosure or adjustment to the financial statements for the year ended 31 December 2011.

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