

TABLE OF CONTENTS

	Page
Vision & Mission Statements	2
Statement of Chairman	3
General Manager's Review	4
Corporate Governance Report	5
Operational Overview	12
Seeds	16
Table Potatoes	21
Onions	24
Garlic	27
Other Controlled Products	29
Other Non-Controlled Products	30
Report of the Director of Audit	32
Financial Statements as at 31 December 2014.....	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:

The Honourable Mahen SEERUTTUN
Minister of Agro-Industry and Food Security
Renganaden Seeneevassen Building
Port Louis

Sir

I have the honour to submit the Annual Report of the Agricultural Marketing Board for the year ended 31st December 2014 in accordance with the provision of Section 25 of the Mauritius Agricultural Marketing Act (1963).

Yours faithfully



Dr. K. Payandi Pillay
Chairman

MANAGEMENT REVIEW

Since its humble beginnings in 1964, the Agricultural Marketing Board (AMB) has seen its role transformed in recent years to become a major stakeholder and partner in the agro-industry and agri-business in Mauritius.

The AMB's ability to adapt to change has been a constant feature of its development and growth as an organization over the years and 2014 was a year when AMB had to overcome many challenges to maintain its foregoing roles and its continued importance in the agricultural landscape.

Perhaps the most notable event for the AMB in 2014 has been the implementation of the restructuring measures as proposed by DCDM (Africa Holdings) Ltd coupled with subsequent application of the recommendations in a report produced by the Office of Public Service Governance (OPSG) in June 2013. This report also received the endorsement of Government in 2013.

The major highlights of the OPSG report was a right-sizing along with the diversification of the activities of the AMB including increased retail activities, development of more storage for rental purposes, further liberalisation of the controlled products' markets and the amendment of the Mauritius Agricultural Marketing Act so as to permit the AMB to enter new commodities markets which are not controlled. In the year 2014, some major projects have been undertaken and completed at the Cluny Store in line with the expansion of our cold storage capacity. Moreover, the facilities at the ex-Tobacco Board have been handed over to the AMB in view of future expansion. On employees' side, a Voluntary Retirement Scheme (VRS) had been implemented by the AMB with the approval of the Government whereby 22 employees chose to retire from the services along with a healthy retirement package.

As a regulator of controlled products, the AMB has traditionally played a significant role in the marketing and regulation of these products, most notably onions, potatoes, garlic and their related seeds. However, with the growing worldwide predilection for the liberalisation of commodities markets and in line with the restructuring of the organisation, the AMB has had to face up to the reality of relinquishing its control over its conventional markets. In November 2013, the AMB was faced with the import liberalisation for cardamoms and turmeric, as well as for processed products derived from potatoes, onions and garlic. Despite this, the AMB, which is a self-financing organisation, still managed to maintain a sound financial position during this year under consideration.

Traditionally, the most important role of the AMB has been to ensure the supply of controlled products to the Mauritian nation at an affordable price whether these be imported or local produce. Despite fluctuation in the cost of produce and other associated adverse conditions, AMB is always committed to satisfy its customers and hence assuming its social role to its optimum capacity. In addition, in 2014 the AMB continued to provide planters of onions, potatoes, garlic and seeds with a market for their produce with a guaranteed minimum price. In view of boosting local production, the AMB has been central to the continued success of the Potato, Onion and Garlic Seed Purchase Schemes, which are essential programmes contributing hugely to the nation's desire to achieve relative self-sufficiency in the non-sugar crop sector and thus alleviating also the high initial cost borne by our local growers.

Another noteworthy project in which the AMB has been involved in 2014 is the Freight Rebate Scheme. The Scheme has been continuously managed successfully by the AMB and has contributed hugely to the increasing exportation of Mauritian fruits, vegetables and flowers around the world.

During the year 2014, AMB was considerably involved in its retailing activities through its presence in market fairs and retail outlets keeping in mind the interest of the population by promoting price stabilisation across the market. In so doing, AMB has brought its service and quality products to the doorsteps of the customers.

In 2014, the AMB has also been heavily involved in the feasibility study aiming to create a National Wholesale Market for fruits and vegetables. The National Wholesale Market's main objective is to reorganize the wholesale marketing for fruits and vegetables at national level by creating a concentration of volumes in a single place. This will bring market efficiency, synergy and improved cost sharing between agricultural operators as well as better transparency, modern and adequate premises to the whole food system.

May I seize this opportunity to thank the Ministry of Agro-Industry and Food Security, the Chairman and the members of the Board and all our valued partners, customers, collaborators and our employees for their steadfast and appreciated support in 2014.

Due to endless efforts of our team in 2014, the AMB had taken a leap forward on the path of success and service consolidation and is now well set to tackle 2015 challenges. Our stepping up vision and action have set important milestones which will undeniably guarantee the success of the AMB in the forthcoming year 2015.

A.S.JEEHOO
Officer in Charge

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 Business, 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 - 2014

Chairman

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

Ex-Officio Members

Mrs T. A. Mudhoo– Representative of the Ministry of Agro Industry and Food Security

Mr R. Motah – Representative of the Ministry of Finance and Economic Development

Mrs P. Rampadarath – Representative of the Ministry of Industry, Commerce and Consumer Protection

Mr L. M. Monvoisin – Representative of the Registrar of Co-operative Societies

Independent Members

Dr D. Dumur

Mr M. Wadallee

Mr. S. S. A. M. Goolaub

Mr. B. Daboo

Mr. S. Lallbeeharry

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

In view of the complexity of administrative and operational matters at the 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 R. Motah – Representative of the Ministry of Finance and Economic Development

Members

Mrs T. A. Mudhoo – Representative of the Ministry of Agro Industry and Food Security

Mrs P. Rampadarath – Representative of the Ministry of Industry, Commerce and Consumer Protection

Mr L. M. Monvoisin – Representative of the Registrar of Co-operative Societies

Mr S. S. A. M. Goolaub – 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 at Rs 100,000;
- assessment of tenders in 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 tenderer, the reasons thereof for selection, thus ensuring that the lowest most responsive bidder be awarded.

Finance & Tender Committee – Composition

Chairperson

Mrs T. A. Mudhoo– Representative of the Ministry of Agro Industry and Food Security

Members

Mr L. M. Monvoisin – Representative of the Registrar of Co-operative Societies

Mr R. Motah –Representative of the Ministry of Finance and Economic Development

Mr. S. S. A. M. Goolaub – Independent Member

Mr. B. Daboo – 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. The AMB will be responsible for the management of the Buffer Stock and Funds.

Quota Committee – Composition

Chairperson

Mr S. S. A. M. Goolaub

Members

Mrs T. A. Mudhoo– Representative of the Ministry of Agro Industry and Food Security
Mr L. M. Monvoisin – Representative of the Registrar of Co-operative Societies
Mr S. Lallbeeharry – Independent Member
Dr D. Dumur – 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 T. A. Mudhoo– Representative of the Ministry of Agro Industry and Food Security

Members

Mrs P. Rampadarath – Representative of the Ministry of Industry, Commerce and Consumer Protection
Dr D. Dumur – Independent Member
Mr. S. S. A. M. Goolaub – Independent Member
Mr. B. Daboo – 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, in consultation with Management, decide on the quantum, source, variety, quality, timing and price of all orders to be placed.

Notwithstanding the above, orders for table potatoes, onions and garlic, shall not, except with the approval of the Board, exceed a quantity equivalent to two (2) weeks' local consumption of the said produce.

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

Mrs T. A. Mudhoo – Representative of the Ministry of Agro Industry and Food Security

Members

Mrs P. Rampadarath – Representative of the Ministry of Industry, Commerce and Consumer Protection

Mr. S. S. A. M. Goolaub – Independent Member

Mr M. Wadallee – Independent Member

Dr D. Dumur – Independent Member

SITTINGS OF THE BOARD AND ITS SUB-COMMITTEES

	2014
Board Meeting	6
Special Board Meeting	14
Audit Committee	-
Finance & Tender Committee	9
Quota Committee	14
Staff Committee	9
Supplies Committee	45
Total	97

Other Committees

- National Potato Committee
- National Onion and Garlic Committee

REMUNERATION OF MEMBERS

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

Board Members	Fees (Rs)
Mr J. Ramkissoon, G.O.S.K.	342,000
Mrs T. A. Mudhoo	65,620
Mr L.M. Monvoisin	13,150
Dr D. Dumur	18,200
Mr. R. Motah	11,600
Mr M. Wadallee	33,225
Mr A. Goolaub	47,205
Mr P.Rampadarath	4,725
Mr B.Daboo	8,975
Mr. S. Lallbeeharry	9,275
<i>Total</i>	<i>553,975</i>

ADMINISTRATIVE STAFF

General Manager	Mr R. J. R. Rama	Bachelor of Laws
Engineer / Senior Engineer	Mr A. S. Jeethoo	MSc (Project Management) B. Eng (Mechanical Engineering) – CRPE 990 Certificate in Sugar Cane Manufacture
Administrative Secretary	Mrs Anjane Devi Mungroosing	ICSA MBA (<i>Finance</i>)
Head Operations Officer	Mr B. H. Ramdin	Higher Diploma Business Administration
Seeds Officer	Mr R. Sookun	BSc (Hons) Agriculture
Trade and Marketing Officer	Mr B. Ramcharan	MBA (<i>Logistics and Supply Chain Management</i>)
Accountant	Mr M. Perianen	FCCA
Human Resource Management Officer	Mr N. A. Hasowa	BCom with specialisation in Human Resource Management
IT Officer	Mrs K. Rawa Lungtoo	BSc Information Systems

PROFESSIONAL SERVICES

- a) **AUDITOR** – The National Audit Office
- b) **BANKERS** – State Bank of Mauritius Ltd
Barclays Bank Ltd

Mauritius Post and Cooperative Bank Ltd
- c) **CONSULTANTS** – Servansing Jadav & Partners Consulting Engineers Ltd

OPERATIONAL REVIEW

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

The AMB currently deals in the following Controlled and non-Controlled products:-

- | | | |
|-------------------------------|--------------------|------------------|
| ❖ potatoes; | ❖ cardamoms; | ❖ bean seed; |
| ❖ onions; | ❖ canned tomatoes; | ❖ glass jars; |
| ❖ garlic; | ❖ potato seed; | ❖ polymesh bags. |
| ❖ ginger; | ❖ onion seed; | |
| ❖ turmeric (powder & finger); | ❖ garlic seed; | |

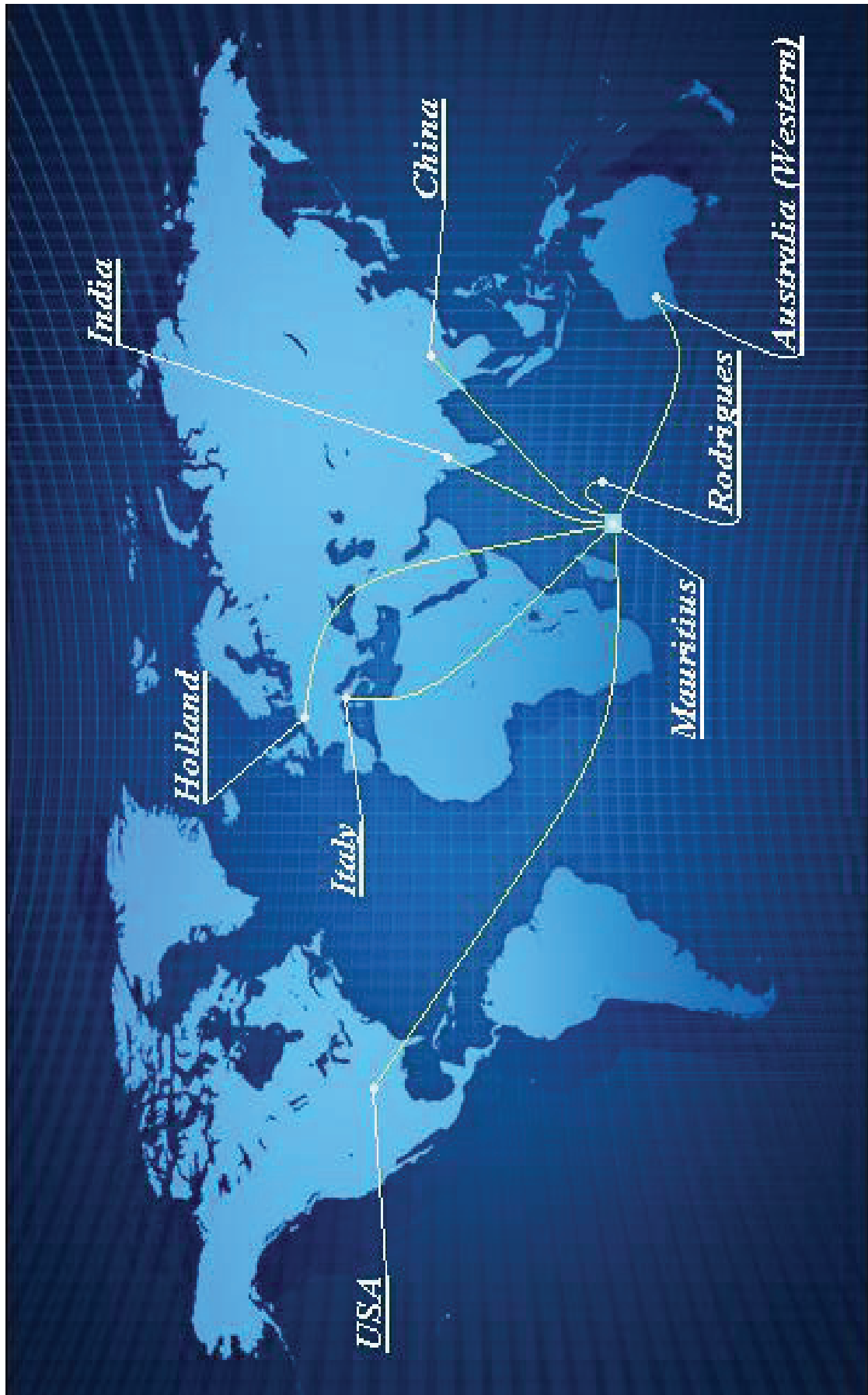
During period of local harvest, planters of potatoes and onions were given the opportunity to sell their produce to the AMB at floor prices, which were paid for, based on well established specifications.

However, during off-season period, the AMB had recourse to imports in order to ensure supply of certain produce on the local market. Based on allocated quota, potatoes and onions were imported both by the AMB and the privates during the period when there was no local production, so as not to get engaged in unfair competition with the local planting community.

As far as other products like garlic, turmeric (powder and finger) and cardamoms were concerned, where local production was still negligible, imports were regularly made by the AMB during the year in order to meet customers' demand.



COUNTRIES TRADING WITH AMB IN 2014



STORAGE FACILITIES AT AMB

The 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 the AMB at its Head Office at 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.

The AMB also provides storage facilities to private operators for the storage of their products at competitive rates.

(ii) Airport Cold Store

A cold store is also operated by the AMB in the compound of the Sir Seewoosagur Ramgoolam International Airport at Plaisance, for the benefit of importers and exporters dealing in sensitive products which require cold chain facilities.

The storage capacity at the Airport Cold Store 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 offers a 24-hours, 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) Cluny Store

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

(v) Other Stores

The 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

After having opened a new retail outlet at Triolet, the AMB is contemplating to open other retail outlets and operating additional market stalls in the near future namely at Vallée Des Prêtres, Montagne Blanche and Rose Hill.

Currently operational retailing units as hereunder:

	LOCATION	DAYS	STALLS No.
1	Quatre Bornes Fair	Wednesdays and Saturdays	215
2	Vacoas Fair	Tuesdays and Fridays	457, 458
3	Curepipe, Forum	Wednesdays and Saturdays	397, 398
4	Curepipe, Jan Palach	Every day except Wednesdays, Saturdays & Sundays	56
5	Rose Hill Central Market	Every day except Saturdays and Sundays	68,69
6	Rose Belle Fair	Wednesdays	638, 639
		Sundays	935, 939
7	Quartier Militaire Retail Outlet (<i>Ex-Feed Distribution Centre</i>)	Sundays	
8	Rivière des Anguilles Retail Outlet (<i>Ex-Feed Distribution Centre</i>)	Saturdays	
9	Moka Retail Outlet	Every day except Sundays	
10	Vallée Des Prêtres Retail Outlet (<i>Ex Feed Distribution Centre</i>)	Thursdays and Saturdays	
11	Montagne Blanche Retail Outlet (<i>Ex Feed Distribution Centre</i>)	Saturdays	
12	Triolet Retail Outlet (<i>Ex-Feed Distribution Centre</i>)	Every day except Sundays	



SEEDS

LOCAL SEED POTATO FOR WARE PRODUCTION

The AMB has continued to play a crucial role in the potato industry 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 Agricultural Research and Extension Unit (AREU). All seeds are certified prior to sale to planters.

In line with the objective of the Government to encourage seed production in Mauritius, the AMB continued to provide seed producers a guaranteed price. The price at which the AMB purchased seeds (*size 30g – 175g*) from producers was Rs 31,555/tonne in 2014.

In 2014, 716.5 tonnes of Spunta seed potato were produced.

Seeds for ware production were sold in 2014 to planters by the AMB at a weighted average price of Rs 45,000/t for Spunta (local and imported) and Delaware (imported) seeds.

PURCHASE OF LOCAL SEED POTATO BY AMB

PRODUCER	Quantity (kg)
	Spunta
Beau Plan Sugar Estate	105,770
Belle Vue Sugar Estate	161,180
ENL Agri Ltd	76,660
Nouvelle Industrie Sugar Estate	155,530
Dukhi Deywanand	107,770
Cie Sucrière de St Antoine	45,000
Jhurry Mahendranath	17,950
Medine Sugar Estate	46,640
Total	716,500

IMPORTED SEED POTATO FOR WARE PRODUCTION

Government has approved, since the year 2009, the private import of seed potato for ware production only, that is, with no resale allowed. The table below provides the quantity of seed potato which was imported by the AMB as well as by privates in 2014.

IMPORT OF SEEDS POTATO FOR WARE PRODUCTION – CAMPAIGN 2014 (AMB & PRIVATES)

Producer	Variety	Qty (T)	Supplier	Origin
AMB	Imported Spunta	75	HZPC	The Netherlands
		25	Stet Holland	
		100	Southern Packers	Australia
	Imported Mondial	21.6	WES-VRYSTAAT	South Africa
	Delaware	300	Southern Packers	Australia
		-	Lake Jasper	Australia
Sub – Total		521.6		
MCA	Spunta	60	Stet Holland	The Netherlands
		110	TPC	The Netherlands
	Samples	1.5		
	Delaware	15	Southern Packers	Australia
Sub – Total		186.5		
Cope Sud	Spunta	25	Southern Packers	Australia
	Delaware	325	Lake Jasper	
	Mondial	25	WES-VRYSTAAT	South Africa
Sub – Total		500		
Ellaya P	Spunta	40	Southern Packers	Australia
Medine		-	Stet Holland	The Netherlands
Sub – Total (Private Producers)		726.5		
Grand - Total		1,248.1		

COST OF IMPORTED SEED POTATO FOR WARE PRODUCTION BY AMB

Variety	Origin	Average Price C & F (Rs/tonne)	Quantity (tonne)
Delaware	Australia	34,699	300
Spunta	The Netherlands	30,508	100
Spunta Normal	Australia	34,508	100
Spunta Mondial	South Africa	29,573	25
Total			525

SALE OF SEED POTATO FOR WARE PRODUCTION

Producer Groups	Spunta (t)		Delaware (t)	Total (t)
	Local	Imported		
Sugar Estates	97	13	16	126
Other Potato Growers	575	185	286	1,046
Total	672	198	302	1,172

SALE OF SEED POTATO FOR SEED PRODUCTION

In 2014, 207 tonnes of the basic imported Spunta seeds from HZPC (Netherlands) were allocated for seed production at the selling price of Rs 39,200/tonne.

IMPORT OF BASIC SPUNTA SEEDS FOR MULTIPLICATION

Basic seeds were imported from HZPC and STET HOLLAND (Netherlands) for multiplication as below:

VARIETY	ORIGIN	AVERAGE COST C & F (Rs / tonne)	QUANTITY (tonne)
Spunta	The Netherlands	32,388	175

In 2014, 175 tonnes of basic Spunta seeds were imported from HZPC and STET HOLLAND (Netherlands).

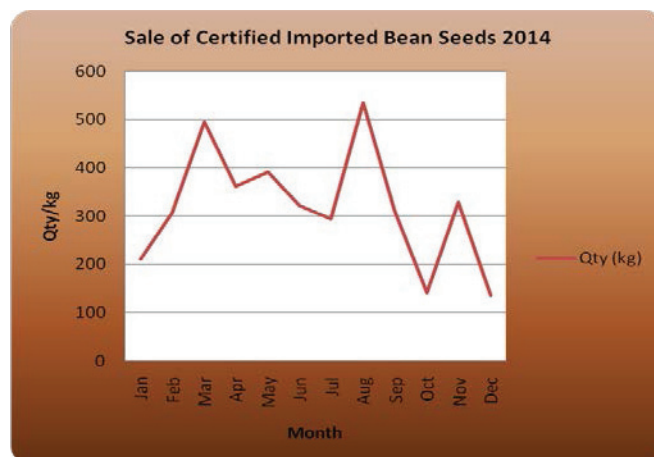
The AMB continued to providing a service to the planting community by ensuring a regular supply of bean seeds and onion seeds which are compatible to the local climatic condition at reasonable prices.

BEAN SEEDS

In 2014, the AMB procured 4,000 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.

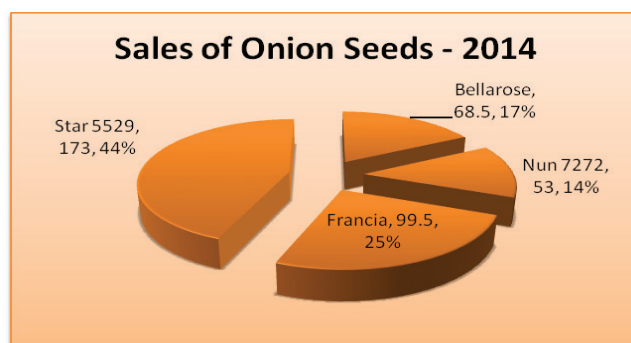
VARIETY	ORIGIN	AVERAGE COST C & F (Rs / tonne)	QUANTITY (tonne)
Long Tom	The Netherlands/Tanzania	160,000	4,000 kg

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 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.



SELLING PRICE OF ONION SEEDS TO PLANTERS

Variety		Price (Rs / kg)
Nun 7272		15,900
Star 5517		-
Star 5529		15,900
Bellarose	Grade I	4,500
	Grade II	2,250
Francia	Grade I	5,500
	Grade II	N/A

GARLIC SEEDS

So as to continue with the Government policy to increase local production of garlic, the AMB had, during the year under consideration, purchased 21 tonnes of planting material from local producers at Rs 150 / kg. Same were put on sale at subsidized price of Rs 100/kg.

Hence, local production of table garlic increased to 190 tonnes in 2014 (from 107 tonnes in 2013).

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.

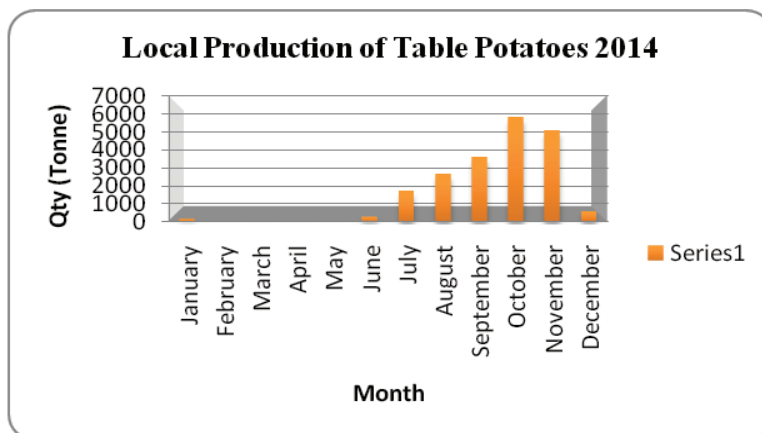
LOCAL PRODUCTION AND IMPORTS

In 2014, 19,404 tonnes of table potatoes were produced in Mauritius.



MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (tonne)	Quantity (tonne)
January	8.3	150	-
February	-	-	448
March	-	-	672
April	-	-	952
May	-	-	196
June	14.9	235	112
July	71.4	1,652	-
August	124.8	2,595	-
September	149.4	3,574	-
October	231.4	5,746	-
November	194.1	4,994	-
December	-	558	-
Total	820.7	19,404	2,380

Source: Statistics Mauritius & AMB (Imports only)



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 surplus production, at floor prices, for storage, which were in turn released as and when the need arose. Accordingly, the AMB had purchased local table potatoes for storage at the following floor price of Rs 21,750/-.

- (i) 1,682,120 kg (1st grade ware potatoes from Spunta and Delaware seeds)
- (ii) 287,810 kg (+ 4 cm Delaware ware potatoes)
- (iii) 2,590 kg (small ware potatoes – Rs 10,000/T)
- (iv) NIL (ware potatoes from Belle Isle seeds)

IMPORTS OF TABLE POTATOES

As in previous years, import of table potatoes was undertaken by both the AMB and private importers in 2014. The latter were allocated quotas for import, only during period when local production was not available so as to encourage local producers.

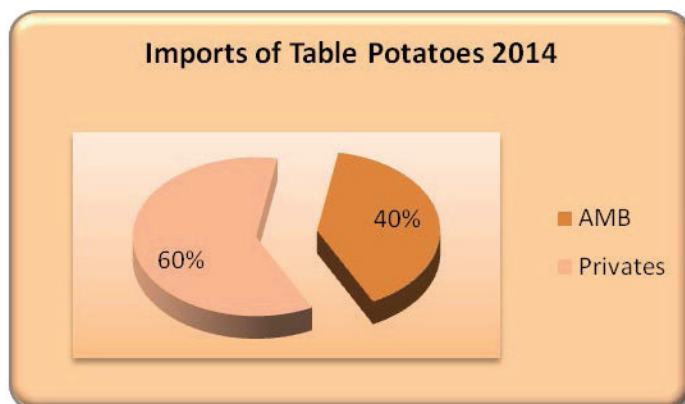
In 2014, the AMB imported 2,380 tonnes of table potatoes while private parties imported 3,612 tonnes.

IMPORTS & COST OF IMPORTS OF TABLE POTATOES

Country of Origin	Quantity (tonne)	Weighted Average C & F (Rs/tonne)
India	2,380	18,481.05

The weighted average cost of imports (C&F) for the AMB in 2014, was Rs 18,481.05 per tonne.

IMPORTS BY AMB V/S PRIVATE IMPORTERS



SALE OF TABLE POTATOES BY AMB

Sale of table potatoes at the AMB was effected only during the off-season. As soon as local harvest was in full swing, the AMB sold only through its retail outlets, market fairs and its distribution vans. As from January the sale of local potato started again till April. Thereafter from May to July put on sale imported potatoes. The sale declined further as a result of local harvest in July, whereby dealers procured potatoes directly from planters.



ONIONS

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

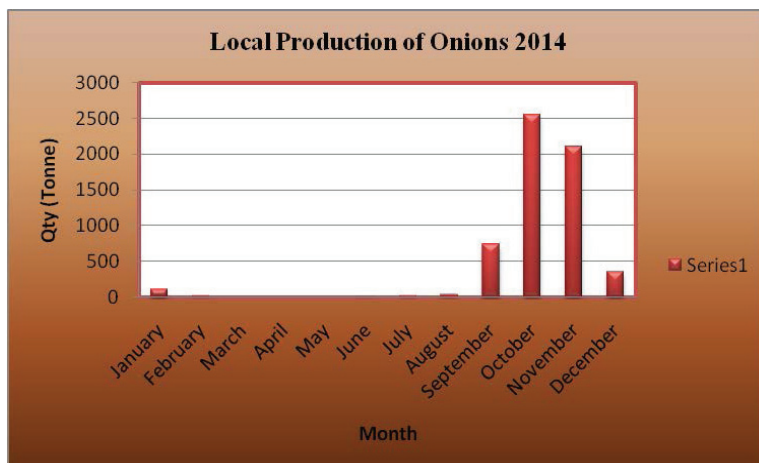


LOCAL PRODUCTION AND IMPORTS

In 2014, 6,062 tonnes of onions were produced in Mauritius.

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (tonne)	Quantity (tonne)
January	5.6	105	1,260
February	0.5	15	504
March	-	-	616
April	-	-	308
May	-	-	616
June	0.4	4	448
July	1.6	19	476
August	1.8	33	616
September	29.2	735	420
October	127.4	2,548	196
November	101.8	2,106	-
December	14.2	347	602
Total	282.5	5,912	6,062

Source: Statistics Mauritius & AMB (Imports only)



PURCHASE OF LOCAL ONIONS BY AMB

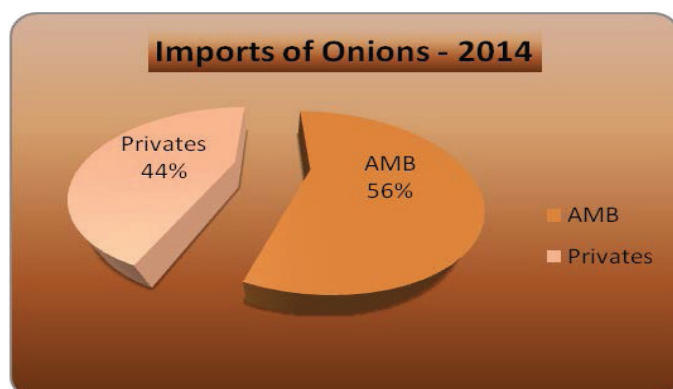
In 2014, AMB purchased 856,365 tonnes of local onions from planters.

IMPORTS & COST OF IMPORTS – ONIONS

Country of Origin	Quantity Imported (tonne)	Average Cost C & F Rs/tonne
India	5,712	20,799.30
China	336	26,034.34
Madagascar	14	19,668.35
Total	6,062	21,086.85

The weighted average cost of imports (C&F) for AMB, in 2014, was Rs 21,086.05. per tonne.

IMPORTS BY AMB V/S PRIVATE IMPORTERS



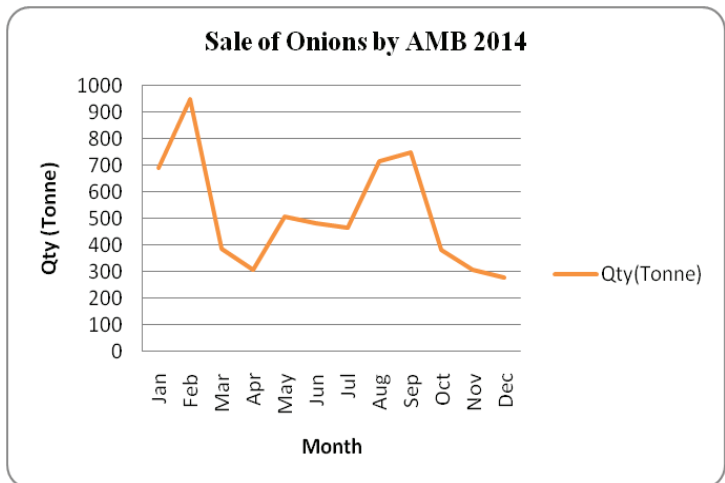
In order to ensure regular supply on the local market, onions were imported in 2014, both by the AMB (6,062 tonnes) and private parties (4,760 tonnes).

RODRIGUES ONIONS

AMB continued to purchase onions from Rodrigues at a fair price in line with the objective to support the latter's agricultural sector. In 2014, a total of 165.220 tonnes were purchased.

SALE OF ONIONS BY AMB

The sale of onions at the AMB at the beginning of the year started to decline due to the import effected by private parties. However, as soon as the stock of privates depleted, sale at AMB rose again but started to fall anew, and reached its lowest point in November when local harvest was at full swing. During the local harvest period, dealers procured onions directly from planters.



GARLIC

The AMB continued to ensure regular supply of garlic on the local market through imports since local production remained at a low level. However, with the launching of the Garlic Seed Purchase Scheme in 2011, the AMB sold local garlic planting material for multiplication. Local production of garlic increased from 107 tonnes in 2013 to 163 tonnes in 2014.



LOCAL PRODUCTION AND IMPORTS

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (tonne)	Quantity (tonne)
January	-	-	140
February	-	-	140
March	-	-	140
April	-	-	112
May	-	-	168
June	-	-	112
July	0.1	0.4	112
August	1.1	1	168
September	4.8	34	140
October	19.4	114	56
November	1.5	9	168
December	0.4	3	224
Total	27.3	161.4	1,680

Source: Statistics Mauritius & AMB (Imports only)

The sale of garlic varied in the range of 107 to 163 tonnes per month.



OTHER CONTROLLED PRODUCTS

CARDAMOMS

ORIGIN	IMPORT
	Quantity (tonne)
India	NIL



TURMERIC (POWDER & FINGER)



PRODUCT	ORIGIN	IMPORT
		Quantity (tonne)
Turmeric Powder	India	23

BEAN SEEDS

ORIGIN	PURCHASE
	Quantity (tonne)
Tanzania	4

OTHER NON-CONTROLLED PRODUCTS

PEELED CANNED TOMATOES

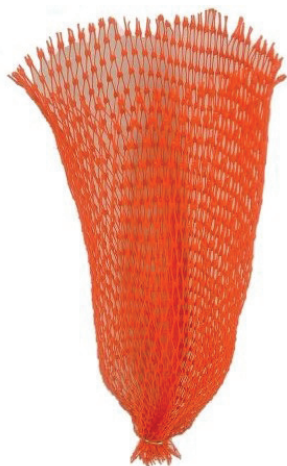
The AMB usually ensures availability of canned tomatoes to supply the local market in period of shortage of fresh tomatoes, particularly following natural calamities like cyclones and droughts.

In 2014, AMB had a stock of 37,971 tins of canned tomatoes from Italy.



POLYMESH BAGS

In 2014, 378,000 units of polymesh bags were imported by AMB from China for its own use as well as sale to planters.



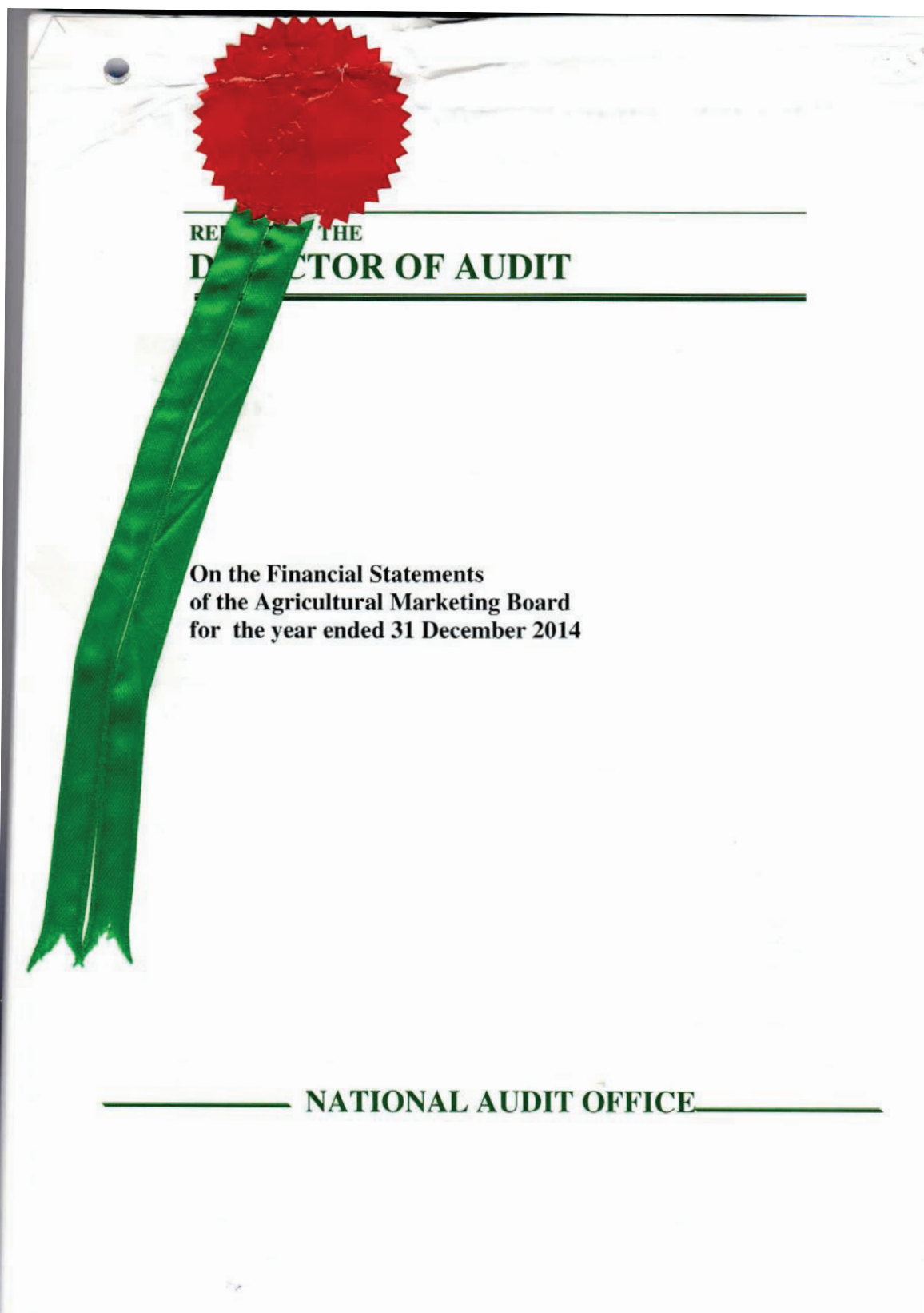
GIRO NETTING

In 2014, 8 tonnes of giro netting were imported by the AMB from China for its own use for packing of produces.

GLASS JARS AND CAPS

In line with the objective to support the SMEs, AMB continued to import glass jars and caps of various dimensions for sale at competitive prices.

In 2014, the AMB imported 86,820 units of 100ML, 86,828 units of 150 ML, 87,227 units of 200 ML and 3,000 units caps only.





NATIONAL AUDIT OFFICE

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

Report on the Financial Statements

I have audited the accompanying financial statements of Agricultural Marketing Board, which comprise the statement of financial position as of 31 December 2014, the statement of financial performance and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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 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 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 basis for my qualified audit opinion.

14th Floor, Air Mauritius Centre, John Kennedy Street, Port Louis – Mauritius
Tel.: 212 2096-97/2110836 Fax: (230) 2110880

Basis for Qualified Opinion

Property, Plant and Equipment (PPE) - Rs 98,225,531

- The Fixed Asset Register (FAR) was not properly maintained as assets details were not fully available. Hence, the completeness and existence of 'Property, plant and equipment' could not be verified.
- Land acquired and leased were not properly accounted for and disclosed in the financial statements.
- Depreciation charge for the year ended 2014 totalling some Rs 5 million, could not be reconciled with the corresponding FAR details.
- Assets costing some Rs 240 million which were fully depreciated are still in use. Contrary to provisions of IAS 16, these fully depreciated assets were neither revalued nor depreciated over their re-assessed useful life. My audit opinion on the financial statements for the year ended 31 December 2013 was modified accordingly. My opinion on the current year's financial statement is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

Inventories - Rs120, 415,708

The Inventories figure disclosed was misstated and unreliable.

I have qualified my opinion on the prior year's financial statements as the stock report generated by the computer system as of 31 December 2013 could not be reconciled with the closing stock figures as financial statements discrepancies were noted for nine items of stock out of 34 items.

The stock report generated for the stock position as of 31 December 2014 could not also be reconciled with the 'Inventories' figure as per financial statements. Discrepancies were noted for 10 items of stocks out of 46 items which represented an overall inventory overstatement amounting to some Rs 2.5 million.

Since opening inventories affect the determination of the results of operations, I was unable to determine whether adjustments to the results of operations and opening retained earnings might be necessary for 2013. My audit opinion on the financial statements for the year ended 31 December 2013 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

Litigation and Claims

The Board did not keep an updated repertory of all pending court cases and their outcome. Further, no independent confirmation from the legal adviser in respect of cases at court was submitted to the National Audit Office as of November 2015. Hence, I have not obtained sufficient appropriate audit evidence as to whether potentially material litigation and claims exist at year end.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the Agricultural Marketing Board as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Management's Responsibility

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 laws and 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 laws and authorities which govern them.

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

Statutory Bodies (Accounts and Audit) Act 1972

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.

Public Procurement Act

The Agricultural Marketing Board is responsible for the planning and conduct of its procurement. It is also responsible for defining and choosing the appropriate method of procurement and contract type in accordance with the provisions of the Act and relevant Regulations. My responsibility is to report on whether the provisions of part V of the Act regarding the Bidding Process have been complied with.

In my opinion, the provisions of Part V of the Act have been complied with as far as it appears from my examinations of the relevant records.

Financial Reporting Act

The directors are responsible for preparing the Corporate Governance Report. My responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of Code.

Section 75(2) of the Financial Reporting Act stipulates that every PIE shall adopt corporate governance in accordance with the National Code of Corporate Governance. The Board did not submit a Statement of Compliance and did not state the extent of compliance therewith. No explanation was also provided by the Board for not complying with the requirements of the Code.

In my opinion, the Agricultural Marketing Board has not complied with the requirements of the Code as per the Financial Reporting Act 2004.



K.C. TSE YUET CHEONG (MRS)
Director of Audit

National Audit Office
Level 14
Air Mauritius Centre
PORT-LOUIS

16 March 2016



FINANCIAL STATEMENTS
FOR YEAR ENDED
31 DECEMBER 2014

AGRICULTURAL MARKETING BOARD

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2014

INDEX

CONTENTS	PAGES
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
STATEMENT OF CHANGES IN EQUITY	4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6 to 32

AGRICULTURAL MARKETING BOARD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 4

	Medical Assistance Fund	Retained Earnings	Revaluation Surplus and other Reserves	Total
	Rs.	RESTATED Rs.	RESTATED Rs.	RESTATED Rs.
Balance at 01 January 2013	4,614,360	226,170,046	3,033,187	233,817,593
Movement in medical assistance fund	391,539	-	-	391,539
Net surplus for the year	-	12,936,953	-	12,936,953
Adjustment on actuarial gain upon IAS 19 adoption	-	681,802	-	681,802
Prior year adjustment Sinking Fund	-	(3,130,691)	-	(3,130,691)
Other comprehensive income for the year	-	-	(34,376,090)	(34,376,090)
Total comprehensive income for the year	-	-	(34,376,090)	(34,376,090)
Balance at 31 December 2013	5,005,899	236,658,110	(31,342,903)	210,321,106
Movement in medical assistance fund	350,167	-	-	350,167
Net surplus for the year	-	52,910,121	-	52,910,121
Other comprehensive income for the year	-	-	(38,504,561)	(38,504,561)
Total comprehensive income for the year	-	-	(38,504,561)	(38,504,561)
Balance at 31 December 2014	5,356,066	289,568,231	(69,847,464)	225,076,833

The notes on pages 6 to 32 form part of these financial statements.

AGRICULTURAL MARKETING BOARD

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

Page 2

<u>ASSETS</u>	Notes	2014	2013
		Rs.	Rs.
Non-Current Assets		RESTATED	RESTATED
Property, plant and equipment	4	98,225,531	94,091,300
Intangible assets	5	59,003	658,733
Loans receivable	6	1,119,118	1,254,838
		99,403,652	96,004,871
Current Assets			
Inventories	7	120,415,708	132,788,531
Loans receivable	6	476,425	506,814
Sinking Fund	8	16,048,398	15,068,881
Trade and other receivables	9	57,735,876	80,991,292
Medical Assistance Fund	10	5,356,066	5,005,900
Fixed Deposit Investment	11	100,000,000	-
Cash and cash equivalents	12	86,078,861	136,800,712
		386,111,334	371,162,130
TOTAL ASSETS		485,514,986	467,167,000
<u>EQUITY AND LIABILITIES</u>			
Capital and reserves			
Retained earnings	13	289,568,231	236,658,110
Medical Assistance Fund	10	5,356,066	5,005,900
Revaluation Surplus and other reserves	14	(69,847,464)	(31,342,903)
		225,076,833	210,321,107
Non-Current Liabilities			
Non current payables	15	23,202,852	27,307,082
Retirement benefit obligations	16	122,373,672	83,475,618
Voluntary Retirement Scheme	16	10,905,232	14,120,915
Deferred income	17	15,752,770	16,519,025
Long-term borrowings	18	38,203,333	41,481,431
		210,437,859	182,904,071
Current Liabilities			
Trade and other payables	19	42,200,738	71,289,851
Short term borrowings	20	1,746,479	1,885,717
Deferred income	17	766,255	766,255
Bank overdraft	12	5,286,822	-
		50,000,294	73,941,822
		485,514,986	467,167,000

Approved by

CHAIRMAN

OFFICER IN CHARGE

The notes on pages 6 to 32 form part of these financial statements.

AGRICULTURAL MARKETING BOARD

Page 3

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 RESTATED Rs.	2013 RESTATED Rs.
Revenue	21	539,167,247	592,183,955
Cost of operations	22	(511,822,006)	(584,304,500)
Gross Surplus		27,345,242	7,879,455
Other operating income	24	50,396,955	45,458,645
Operating surplus		77,742,197	53,338,100
Administrative expenses	25	(31,886,539)	(29,847,947)
Investment and other income	26	8,094,550	4,687,032
Finance costs	27	(1,040,087)	(1,119,317)
Provision for Voluntary Retirement Scheme	28	-	(14,120,915)
Surplus for the year	13	52,910,121	12,936,953
<u>Other comprehensive income for the year:</u>			
Remeasurement of defined benefit obligation	16	(38,504,561)	(34,376,090)
Total comprehensive income for the year		14,405,560	(21,439,137)

The notes on pages 6 to 32 form part of these financial statements.

AGRICULTURAL MARKETING BOARD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 4

	Medical Assistance Fund	Retained Earnings	Revaluation Surplus and other Reserves	Total
	Rs.	RESTATED Rs.	RESTATED Rs.	RESTATED Rs.
Balance at 01 January 2013	4,614,360	226,170,046	3,033,187	233,817,593
Movement in medical assistance fund	391,539	-	-	391,539
Net surplus for the year	-	12,936,953	-	12,936,953
Adjustment on actuarial gain upon IAS 19 adoption	-	681,802	-	681,802
Prior year adjustment Sinking Fund	-	(3,130,691)	-	(3,130,691)
Other comprehensive income for the year	-	-	(34,376,090)	(34,376,090)
Total comprehensive income for the year	-	-	(34,376,090)	(34,376,090)
Balance at 31 December 2013	5,005,899	236,658,110	(31,342,903)	210,321,106
Movement in medical assistance fund	350,167	-	-	350,167
Net surplus for the year	-	52,910,121	-	52,910,121
Other comprehensive income for the year	-	-	(38,504,561)	(38,504,561)
Total comprehensive income for the year	-	-	(38,504,561)	(38,504,561)
Balance at 31 December 2014	5,356,066	289,568,231	(69,847,464)	225,076,833

The notes on pages 6 to 32 form part of these financial statements.

AGRICULTURAL MARKETING BOARD

Page 5

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 RESTATED Rs.	2013 RESTATED Rs.
Cash flow from operating activities			
Net surplus for the year		52,910,121	12,936,953
Adjustments for:-			
Depreciation and amortisation		10,248,430	10,255,219
(Over)/Under Depreciation		69,240	270,415
Retirement benefit obligations		393,493	638,675
Voluntary Retirement Scheme		(3,215,683)	14,120,915
Employees benefit		(4,104,230)	14,078,911
Profit on disposal		(356,918)	-
Grant amortised		(766,255)	(766,255)
Foreign exchange loss/(gain)-EDF Loan		(1,594,877)	407,858
Foreign exchange loss/(gain)-payables		-	-
Interest on Sinking fund		(772,132)	(666,179)
Interest receivable-others		(3,854,388)	(3,013,978)
Interest Expenses		1,040,087	1,042,511
Operating surplus before working capital changes		49,996,889	49,305,044
Decrease / (increase) in trade and other receivables		23,255,416	(23,038,575)
Decrease/ (Increase) in inventories		12,372,823	44,793,339
(Increase)/Decrease in staff loans		166,109	(1,021,425)
(Decrease) / increase in trade and other payables		(29,089,113)	(6,901,197)
Cash generated from operations		56,702,123	63,137,187
Interest paid		(1,040,087)	(1,042,511)
Net cash flows from operating activities		55,662,036	62,094,676
Cash flows from investing activities			
Acquisition of property, plant and equipment		(13,996,456)	(11,761,790)
Proceeds from disposal of non current assets		501,200	-
Sinking Fund paid		(207,385)	(1,433,639)
Interest received		3,854,391	3,013,978
Net cash from investing activities		45,813,786	51,913,225
Cash flows from financing activities			
Repayment of Government loan EDF		(1,822,459)	(10,857,694)
Net increase in cash and cash equivalents		43,991,327	41,055,531
Movements in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		136,800,712	95,745,181
Cash and cash equivalents at the end of the year		180,792,039	136,800,712
Net increase in cash and cash equivalents		43,991,327	41,055,531

Statement of Cash Flows for 2013 and 2014 have been amended to cater for Prior Year adjustments.

The notes on pages 6 to 32 form part of these financial statements.

AGRICULTURAL MARKETING BOARD

Page 6

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 & 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.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCING REPORTING STANDARDS (IFRSs)

AMB is now classified as a Public Interest Entity (PIE) following the amended Financial Reporting Act 2013 and in the current year, the Board has adopted all of the new and revised International Financial Reporting Standards (IFRS) 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 2014.

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 years:

Employee Benefits-Amendments to IAS 19 change the accounting for defined benefit plans and IAS 19 termination benefits. The most significant change relates to the accounting for changes in the defined benefit obligations and plan assets.

The impact of these changes is explained in detail at note 16 to the financial statements.

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:

New and revised IFRSs applied with no effect on financial statements

IAS 1 Presentation of Financial Statements - clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors' or voluntarily.

IAS 2 Inventories contains the requirements on how to account for most types of inventory. The standard requires inventories to be measured at the lower of cost and net realisable value (NRV) and outlines acceptable methods of determining cost, including specific identification (in some cases), first-in first-out (FIFO) and weighted average cost.

IAS 20 Accounting for Government Grants and Disclosure of Government Assistance outlines how to account for government grants and other assistance. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets requires setting up the grant as deferred income or deducting it from the carrying amount of the asset. IAS 20 was issued in April 1983 and is applicable to annual periods beginning on or after 1 January 1984.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCING REPORTING STANDARDS (IFRSs)

New and revised IFRSs applied with no effect on financial statements

IAS 27

IAS 27 (as revised in 2011) - Separate Financial Statements. IAS 27, as revised supersedes IAS 27 (2008) and carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The amendment has no impact on the financial statements.

Investments in Associates and Joint Ventures: As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment has no impact on the financial position since the Company does not have investments in Associates and Joint Ventures.

IFRS 1 IFRS 1(amendment) - Government Loans-These amendments require first time adoption to apply the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance prospectively to government loan existing at the date of transition to IFRS. Entities may choose to apply the requirements of IFRS 9 (or IAS 39 as applicable) and IAS 20 to Government Loan retrospectively if the information needed to do so had been obtained at time of initial amount for that loan.

IFRS 7 IFRS 7 (amendment) - Disclosures: Offsetting Financial Assets and Financial Liabilities
These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments have no impact on the Company's financial position or performance.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCING REPORTING STANDARDS (IFRSs)**New and revised IFRSs applied with no effect on financial statements****IFRS 10 IFRS 10 - Consolidated Financial Statements**

IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation - Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. The Standard introduces a new approach to determining which of the investee should be consolidated and provides a single model to be applied in the control analysis for all the investees. An investor controls an investee when: (a) it is exposed or has rights to variable returns from its involvement with that investee; (b) it has the ability to affect those returns through its power over that investee; and (c) there is a link between power and returns. Control is reassessed as facts and circumstances change. These amendments have no impact on the financial position or performance of the Company.

IFRS 11 IFRS 11 - Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-Controlled Entities - Non-monetary Contributions by Ventures. IFRS 11 focuses on the rights and obligations of joint arrangements, rather than the legal forms (as is currently the case). It distinguishes joint arrangements between joint operations and joint ventures; and always requires the equity method for jointly controlled entities that are now called joint ventures; they are stripped of the free choice of using the equity method or proportionate consolidation. There is no impact on the Company.

IFRS 12 IFRS 12 - Disclosures of Interests in Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all the disclosures that were previously included in IAS 31 and IAS 28. The objective of IFRS 12 is to require entities to disclose information that helps users of financial statement to evaluate the nature, risks, and financial effects associated with the entity's involvement with subsidiaries, associates, joint arrangements, and structured entities. Specific disclosures include the significant judgements and assumptions made in determining control as well as detailed information regarding the entity's involvement with these investees. There will be no impact on the Company's financial position or performance.

AGRICULTURAL MARKETING BOARD

Page 9

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCING REPORTING STANDARDS (IFRSs)

New and revised IFRSs applied with no effect on financial statements

IFRS 13 IFRS 13 - Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. The standard defines fair value, establishes a framework for measuring fair value and sets out the disclosure requirements for fair value measurements.

It explains how to measure fair value when it is required or permitted by other IFRSs. It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. There will be no impact on the Company's financial position and performance.

2.1 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCING REPORTING STANDARDS

Annual Improvements effective for annual periods beginning on or after 1 st January 2013

IAS 19 Employee Benefits - Amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus.

ISA 20 IAS 20 Accounting for Government Grants and Disclosure of Government Assistance outlines how to account for government grants and other assistance. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets requires setting up the grant as deferred income or deducting it from the carrying amount of the asset.

IAS 20 was issued in April 1983 and is applicable to annual periods beginning on or after 1 January 1984.

IAS 1 Presentation of Financial Statements : Comparative Information

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IAS 16 Property, Plant and Equipment : Servicing Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments - Presentation : Tax Effect of Equity Distributions

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 Interim Financial Reporting : Total Segment Assets and Liabilities

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

IFRS 1 First-time Adoption of International Financial Reporting Standards

This improvement clarifies that an entity that stopped applying IFRS in the past and chooses, or is required, to apply IFRS, has the option to re-apply IFRS 1. If IFRS 1 is not re-applied, an entity must retrospectively restate its financial statements as if it had never stopped applying IFRS.

AGRICULTURAL MARKETING

Page 10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCING REPORTING STANDARDS (IFRSs)

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The objective of this standard is to prescribe the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and correction of errors. The Standard is intended to enhance the relevance and reliability of an entity's financial statements, and the comparability of those financial statements over time and with the financial statements of other entities.

Prior period errors: These are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that: (a) was available when financial statements for those periods were authorised for issue ;and (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 11

2.1 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCING REPORTING STANDARDS (IFRSs)

Standards and Interpretations in issue but not yet effective

Standards and Interpretations issued but not yet effective up to the date of issuance of the Company's financial statements are listed below.

Standard/Interpretation	Effective for accounting period beginning on or after
IAS 34 (amendment) -Interim Financial Reporting: Other disclosures	01 January 2016
IFRS 9 - Financial Instruments: Hedge Accounting	01 January 2018
IFRS 9 - Financial Instruments: Classification and Measurement	01 January 2015
IFRS 7 - Financial Instruments:Disclosures	01 January 2016
IFRS 15 - Revenue from Contracts with Customers	01 January 2017
Agriculture : Bearer Plants (Amendments to IAS 16 and IAS 41)	01 January 2016

The Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity).

The effects of these standards have been described below:

IAS 34 (amendment) -Interim Financial Reporting: Other disclosures

This amendment applies especially to those disclosures listed that are in addition to the significant transactions and events such as , statement of accounting policy; information on seasonality or cyclical nature of interim operations; significant changes in estimates; issuances, repurchases and repayments of equity and debt instruments; dividends paid ; fair value hierarchy disclosures for financial instruments ; segment reporting information. These must be cross referenced.

IFRS 9 - Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 01 January 2013 but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 01 January 2015.

AGRICULTURAL MARKETING BOARD

Page 12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2.1 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCING REPORTING STANDARDS (IFRSs)

Standards and Interpretations in issue but not yet effective (Continued)

Under IFRS 9 there are two options in respect of classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value.

Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 9 with the following aspects:

(i) Fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, attributable to the changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining change is recognised in profit or loss. However, if the requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. (ii) Derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value.

The Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 9 - Financial Instruments: Hedge Accounting and Amendments to IFRS 9, IFRS 7, and IAS 39

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and

The Company is yet to assess the impact on its financial statements from the application of IFRS 9.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. These amendments are not expected to impact the Company's financial position or performance.

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 13

2.1 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCING REPORTING STANDARDS (IFRSs)

Standards and Interpretations in issue but not yet effective (Continued)

Agriculture : Bearer Plants (Amendments to IAS 16 and IAS 41)

These amendments require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of IAS 16 Property, Plant and Equipment, instead of IAS 41 Agriculture. There will be no effect on the financial statements as the Company does not have any bearer plants.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted by the Board are set out below:

(a) Statement of compliance

The principle accounting policies adopted in the preparation of these financial statements are set out below.

These policies have been consistently applied to all years presented, unless otherwise stated. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for 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 judgment in the process of applying the company's accounting policies.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the organisation, the revenue can be reliably measured and when specific criteria have been met for each of the Board's activities as described below.

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

Revenue on rental is recognised on an accrual basis with the substance of the relevant agreement. Interest income is recognised on a time proportion basis using the effective interest

Other operating income comprises mainly of strategic buffer fee and by-catch fish.

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

(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 functional currency.

AGRICULTURAL MARKETING BOARD

Page 14

 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2014

2.2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Foreign currency translation

(ii) Transactions and balances

Foreign currency transactions are translated into the functional 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 statement of financial position date. Exchange difference arising from the translation of foreign currency balances are dealt with in the statement of comprehensive income. The AMB has forward purchased its garlic requirements for the past few years. In 2013-2014, garlic was procured at the average price USD 1,455/Tonne C & F Port Louis. It was noticed that during years when AMB did not secure its requirements at once, prices fluctuated heavily on the international market. The prices of garlic on the international market are at its lowest in the month of July and rise thereafter as the harvest period of garlic in China, our preferred source of procurement, is from April/May to September.

(d) Intangible Assets

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and amortised using the straight line method over their estimated useful economic life. The estimated useful life of computer software is five years.

(e) Non Current Assets and Depreciation

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%
Tarmac	10	10%

Fully depreciated assets still in use are retained in the financial statements.

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 profit or loss and other comprehensive income.

AGRICULTURAL MARKETING BOARD

Page 15

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2.2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Provisions

Provisions are recognised when the Board 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 obligations and a reliable estimate of the amount of the obligations can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the end of the reporting year. Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

(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 balance sheet 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.

(i) **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

The defined benefit pension plan is a pension plan which is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement usually dependent on one or more factors such as age, years in service and compensation.

The Board operates a defined contribution retirement scheme at Sicom Ltd.

For defined retirement benefit plans, the cost of providing benefits is determined using the Projected Unit

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.

Defined contribution pension plan

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

A defined contribution plan is a pension plan under which the Board pays fixed contributions into a separate entity. The Board has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods. The Board operates a defined contribution retirement benefit plan at SICOM Ltd for all qualifying employees as from year 2014. Payments to deferred contribution retirement plans are charged as an expense as they fall due.

AGRICULTURAL MARKETING BOARD

Page 16

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2.2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Employee leaves entitlement

Employee entitlements to bank sick leave and vacation leave as defined in the PRB 2013 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 and vacation leave. A provision is made for the estimated liability for vacation leave accumulated to end of year 2013.

Employee entitlement to overseas passage benefits are recognised when they accrue to the employees. A provision is also made for the estimated liability for passage benefits. The passage benefits for each staff are valued at year end and included as long term payables. For the current fiscal year, based on past experience and trend, an amount of Rs 1,500,000 was treated as short term facilities to provide for any forthcoming payments of passage in the next fiscal year.

A provision for Restructuring Cost amounting to Rs 14,120,915 was restated for the year 2013.

(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 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- IAS 24

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.

(l) Financial instruments

Financial Instruments are initially measured at cost. Subsequently these instruments are measured in their particular recognising methods as disclosed below:-

(i) Financial Assets and Financial Liabilities

Financial Assets and Financial Liabilities are recognised on the Board's Statement of Financial Position when the Board become a party to the contractual provisions of the instrument.

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

(a) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using

(b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTLP.

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 17

2.2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting year. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Board's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

(d) Derecognition of financial assets

If the Board retains substantially all the risks and rewards ownership of a transferred financial asset, the Board continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(i) *Financial Liabilities and Equity Instruments*

(a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Board are recognised at the proceeds received, net of direct issue costs.

(c) Financial liabilities

Financial liabilities including borrowings are initially measured at fair net value of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(d) Derecognition of financial liabilities

The Board derecognises financial liabilities when, and only when, the Board's obligations are discharged, cancelled or they expire.

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 18

2.2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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:

1 Foreign Exchange risk

The Board is exposed to foreign exchange risk arising from various currencies exposures primarily with respect to USD dollar and the EURO. The Board dealing in foreign currencies purchases is managed by seeking the best rates.

2 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.

3 Interest Risk

The Board's interest risk arises from cash at bank and bank overdraft. The Board has no other exposures to interest rate risk. It does not use the financial instruments to hedge interest rate risk.

4 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and monitors rolling forecast of reserve, cash and cash equivalents on the basis of expected cash flow in order to ensure that it meets operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Board does not breach borrowing limits or covenants where applicable on its borrowing facilities.

5 Market risk

The Board is exposed to market risk arising from changes in prices of imported controlled products and the incidence of exchange rate. This risk will directly impact on future proceeds.

6 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.

7 Legal risk

Legal risk is the risk that the

- (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
- (c) Failure to protect the Board's property (including its interest in its premises).
- (d) 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

Page 19

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2.2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) 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 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.

(o) Borrowings costs

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

(p) Reclassifications

Certain reclassifications have been made to the financial statements for the fiscal year ended 31 December 2013 to conform to the current period presentation. The reclassifications had no effect on the previously reported surplus.

(q) Operating Lease

Lease where a significant portion of the risks and rewards of ownership are retained by the Lessor is classified as operating lease. Rental income is recognised on a straight line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continuously evaluated and are based on historical expenditure and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the application of the Board's accounting policies, which are described in note 2.2, 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 judgment 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

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 20

2.2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Key sources of estimation uncertainty(cont'd)

(i) Useful lives and residual values of Non - Current Assets

Determining the carrying amount of non-current assets of the Board are separated into their significant parts and estimates of the useful lives and residual values thereof are made for the purpose of calculating depreciation. The estimates of useful economic lives and residual values carry a degree of uncertainty. The Board have used historical information in order to best determine the useful lives and residual values of non-current assets.

(ii) Allowance for Doubtful Debts

An allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers are based on several factors including the overall quality and ageing of the receivables, continuing credit evaluation of the customers financial conditions.

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

4. PROPERTY, PLANT AND EQUIPMENT

	2%	10%	10%	10%	12.5%	10%	12.5%	Motor vehicles	12.5%	Motor car	12.5%	Office equipment	12.5%	Furniture and fittings	10%	Computer equipment	20%	Waterproofing	10%	Total
	Building	Tarmac	Plant and machinery	Stores equipment and palletisation																
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST/ VALUATION																				
At 01 January 2013	103,982,977		197,714,003	61,521,043	7,411,235	2,007,602	4,092,292	1,263,502	7,336,873	2,777,970	388,107,497									
Additions	-	3,558,592	7,642,900	27,600	-	-	75,325	176,875	280,498	-	11,761,790									
Disposal	-	-	-	-	-	-	-	-	-	-	-									
At 31 December 2013	103,982,977	3,558,592	205,356,903	61,548,643	7,411,235	2,007,602	4,167,617	1,440,377	7,617,371	2,777,970	399,869,287									
At 01 January 2014	103,982,977	3,558,592	205,356,903	61,548,643	7,411,235	2,007,602	4,167,617	1,440,377	7,617,371	2,777,970	399,869,287									
Additions/Adjustment	-	189,110	-	10,773,580	-	1,135,600	1,309,454	300,935	287,777		13,996,456									
Disposal						(1,154,250)					(1,154,250)									
At 31 December 2014	103,982,977	3,747,702	205,356,903	72,322,223	7,411,235	1,988,952	5,477,071	1,741,312	7,905,148	2,777,970	412,711,493									
DEPRECIATION																				
At 01 January 2013	35,512,491	-	188,391,982	49,475,714	6,825,725	1,719,038	3,659,569	875,374	6,614,223	2,777,970	295,852,086									
Charge for the year	2,079,660	355,859	2,559,962	3,191,941	585,510	144,281	170,536	103,443	464,297		9,655,489									
(Over)/Under Depreciation	311,994		(41,579)	-	-	-	-	-	-	-	270,415									
At 31 December 2013	37,904,145	355,859	190,910,365	52,667,655	7,411,235	1,863,319	3,830,105	978,817	7,078,520	2,777,970	305,777,990									
At 01 January 2014	37,904,145	355,859	190,910,365	52,667,655	7,411,235	1,863,319	3,830,105	978,817	7,078,520	2,777,970	305,777,990									
(Over)/Under Depreciation	50,329	18,911	-	-	-	-	-	-	-	-	69,240									
Disposal						(1,009,968)					(1,009,968)									
Charge for the year	2,079,660	374,770	2,559,962	3,828,675	-	141,950	266,837	126,404	270,442	-	9,648,700									
At 31 December 2014	40,034,134	749,540	193,470,327	56,496,330	7,411,235	995,301	4,096,942	1,105,221	7,348,962	2,777,970	314,485,962									
NET BOOK VALUE																				
At 31 December 2014	63,948,843	2,998,162	11,886,576	15,825,893	-	993,651	1,380,129	636,091	556,186	-	98,225,531									
At 31 December 2013	66,078,832	3,202,733	14,446,538	8,880,988	-	144,283	337,512	461,560	538,851	-	94,091,297									

Note:

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

AGRICULTURAL MARKETING BOARD

Page 22

 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2014

	RESTATED 2014 Rs.	RESTATED 2013 Rs.
5. INTANGIBLE ASSETS		
Computer Software:		
Cost		
Balance at 01 January	5,999,219	5,999,219
Acquisitions	-	-
Balance at 31 December	5,999,219	5,999,219
Amortisation and impairment losses		
Balance at 01 January	5,340,486	4,740,756
Charge for the year	599,730	599,730
Balance at 31 December	5,940,216	5,340,486
Carrying amounts:		
At 31 December	59,003	658,733
The estimated useful life of computer software is five years.		
6 LOANS RECEIVABLE		
Loans and receivables are non derivative financial assets with fixed or determinable payments with respect to loan granted to staff.		
Staff Car Loans-Note 6(a)	1,145,320	1,436,059
Staff personal Loans-Note 6 (b)	450,222	325,593
	1,595,542	1,761,651
6(a) Staff Car Loans		
Current assets:		
Amount receivable within one year	306,060	350,461
Non-Current assets:		
Amount receivable after one year	839,260	1,085,598
	1,145,320	1,436,059
6(b) Staff personal Loans		
Current assets:		
Amount receivable within one year	170,365	156,353
Non-Current assets:		
Amount receivable after one year	279,858	169,240
	450,222	325,593
7 INVENTORIES		
Agricultural products	109,002,586	122,575,501
Stationery understated	452,507	391,041
Spare parts	10,960,615	9,821,989
	120,415,708	132,788,531
Note: All stocks are at cost		
All costs of inventories have been expensed during the year.		
8 SINKING FUND		
Balance at 01 January	15,068,881	16,099,754
Interest receivable	772,132	666,179
Contribution to Sinking Fund	207,385	1,433,639
Prior year adjustment- Overprovision of interest accrued on sinking Fund		(3,130,691)
Balance at 31 December	16,048,398	15,068,881

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 16,048,398 as at 31 December 2014.

AGRICULTURAL MARKETING BOARD

Page 23

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	Rs.	Rs.
9 TRADE AND OTHER RECEIVABLES		
Trade receivables	13,155,478	18,596,834
Prepayments	32,651,627	47,278,165
Food Security Fund	11,928,771	15,116,294
	57,735,876	80,991,292

Trade receivables are shown in the Financial Statements at expected realisable value less estimates for doubtful debts amounting to Rs 4.7M at year end.

The ageing analysis of the Trade Receivables is as follows:

	Rs.	Rs.
After ten years	3,875,744	3,889,267
After five years before ten years	5,136,936	5,904,045
After one year before five years	3,776,104	1,754,874
Current year	5,110,218	7,448,645

The exercise of Prudence is the inclusion of caution in the exercise of the judgements needed in making the estimates required under conditions of uncertainty, such as assets or income are not overstated and liabilities or expenses are not understated. In disclosing trade and other receivables, an amount of Rs 19,264,090 representing claims submitted to International Suppliers regarding importation of Onions and Potatoes, whereby a percentage of products were not according to specifications/ below standard/rotten and unfit for consumption, has been excluded in order not to overstate the trade and receivables figures due to recovery being remote.

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	3,995,999	3,769,810
Medical assistance savings account	1,360,068	1,236,090
	5,356,066	5,005,900

11 FIXED DEPOSIT INVESTMENT

Fixed Deposit for short term	100,000,000	-
	100,000,000	-

12 CASH AND CASH EQUIVALENTS

Cash in hand	307,910	20,000
Cash at bank	85,770,951	136,780,712
Bank overdraft	(5,286,822)	-
	80,792,039	136,800,712

13 RETAINED EARNINGS

		RESTATED
Balance as at 01 January	236,658,110	226,170,046
Adjustment for actuarial gain 2013 upon IAS 19 adoption	-	681,802
Retained surplus for the year	52,910,121	12,936,953

Prior year adjustment- Overprovision of interest accrued on sinking Fund	-	(3,130,691)
Balance as at 31 December	289,568,231	236,658,110

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.

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 24

14 REVALUATION SURPLUS AND OTHER RESERVES

	2014 Rs	2013 Rs RESTATED
At 01 January	(31,342,903)	-
Revaluation surplus		3,033,187
Actuarial gains / (losses)- Note 16	(38,504,561)	(34,376,090)
At 31 December	(69,847,464)	(31,342,903)

15 EMPLOYEE BENEFITS OBLIGATIONS

The non current liabilities include sick leave and passage benefits accrued to staff as provided in the PRB report as referred to in Note 2 (I) on Employee leave entitlements above.

The sick leave is payable as follows:

Current liabilities

Payable within one year	1,203,271	1,384,232
-------------------------	-----------	-----------

Non-current liabilities

Payable after one year	11,064,620	12,226,981
	12,267,891	13,611,213

The passage benefit is payable as follows:

Current liabilities

Payable within one year	1,500,000	1,400,000
-------------------------	-----------	-----------

Non-current liabilities

Payable after one year	1,733,604	1,808,393
	3,233,604	3,208,393

The vacation leave is payable as follows:

Current liabilities

Payable within one year	1,869,541	136,990
-------------------------	-----------	---------

Non-current liabilities

Payable after one year	10,404,628	13,271,708
	12,274,169	13,408,698

16 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 2014** 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.

	2014 Rs	2013 Rs RESTATED
Amount charged to the surplus or deficit	(393,493)	681,802
Amount charged to other comprehensive income	(38,504,561)	(34,376,090)

AGRICULTURAL MARKETING BOARD

Page 25

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	Rs.	RESTATED Rs.
16 RETIREMENT BENEFIT OBLIGATIONS (Continued)		
Amounts recognised in the statement of financial position at end of year:		
Defined benefit obligation	215,526,364	180,584,545
Fair value of plan assets	(93,152,692)	(97,108,927)
Liability recognised in the statement of financial position	<u>122,373,672</u>	<u>83,475,618</u>
Amounts recognised in profit or loss:		
Service cost:		
Current service cost	3,882,771	4,374,721
Employee Contributions	(2,133,219)	(2,069,962)
Fund expenses	161,921	206,181
Net Interest expense / income	<u>7,079,557</u>	<u>3,948,866</u>
Profit and Loss Charge	8,991,030	6,459,806
<u>Remeasurement</u>		
Liability (gain) / loss	37,218,835	35,538,953
Assets (gain) / loss	<u>1,285,726</u>	<u>(1,162,863)</u>
Total Other Comprehensive Income (OCI) recognised	<u>38,504,561</u>	<u>34,376,090</u>
	<u>47,495,591</u>	<u>40,835,896</u>
Movement in liability recognised in statement of financial position:		
At start of year	83,475,618	48,460,853
Amount recognised in Profit and Loss	8,991,030	6,459,806
Actuarial reserves transferred in	(357,983)	(9,995)
Contributions and direct benefits paid by employer	(8,239,554)	(5,811,136)
Amount recognised in OCI	<u>38,504,561</u>	<u>34,376,090</u>
At end of year	<u>122,373,672</u>	<u>83,475,618</u>
Actual return on plan assets:	5,387,532	8,336,644

The plan is a defined benefit arrangement for the employees and it is wholly funded. The assets of the funded plan are held independently and administered by The State Insurance Company of Mauritius Ltd.

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 26

	2014	2013 RESTATED Rs.
16 RETIREMENT BENEFIT OBLIGATIONS (Continued)		
<i>Reconciliation of the present value of defined benefit obligation</i>		
Present value of obligation at start of period	180,584,545	139,033,075
Current service costs	3,882,771	4,374,721
Interest costs	14,446,763	11,122,646
Benefits paid	(20,606,550)	(9,484,850)
Liability (gain) / loss	37,218,835	35,538,953
Present value of obligations at end of period	215,526,364	180,584,545
<i>Reconciliation of fair value of plan assets</i>		
Fair value of plan assets at start of period	97,108,927	90,572,222
Expected return on plan assets	7,367,206	7,173,780
Employer contributions	6,078,522	5,617,947
Employee contributions	2,133,219	2,069,962
Actuarial reserves transferred in	357,983	9,995
Fund Expenses (Benefits paid and other outgo)	(18,607,439)	(9,497,842)
Asset gain/(loss)	(1,285,726)	1,162,863
<i>Fair value of plan assets at end of period</i>	93,152,692	97,108,927
<i>Distribution of plan assets at end of period</i>	2014	2013
<i>Percentage of assets at end of year</i>		
Government securities and cash	57.1%	59.10%
Loans	4.1%	4.90%
Local equities	21.1%	21.90%
Overseas bonds and equities	17.0%	13.40%
Property	0.7%	0.70%
Total	100%	100%
<i>Additional disclosure on assets issued or used by the reporting entity</i>		
<i>Percentage of assets at end of year</i>	%	%
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

Page 27

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

16 RETIREMENT BENEFIT OBLIGATIONS (Continued)

Components of the amount recognised on OCI

	2014 Rs.	2013 Rs.
Asset experience gain / (loss) during the period	(1,285,726)	1,162,863
Liability experience gain / (loss) during the period	(37,218,835)	(35,538,953)
	(38,504,561)	(34,376,090)

Year 2015 : Expected employer contributions

Rs 6M

Weighted average duration of the defined benefit obligation

13 years

(Calculated as a % change in PV of liabilities for a 1% change in discount rate)

The plan is exposed to actuarial risks such as : investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	2014	2013
Discount rate	8%	8%
Future salary increases	5.50%	5.50%
Future pension increases	3.50%	3.50%
Mortality before retirement	A 6770 Ultimate Tables Mortality in	PA (90) Tables
Retirement age	As per Schedule II in the Statutory Bodies Pension Funds Act	

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

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by Rs 23.8M (increase by Rs 28.9M) if all other assumptions were held unchanged.

- If the expected salary growth would increase (decrease) by 100 basis points, the defined benefit obligation would increase by Rs 11.1M (decrease by Rs 9.8M) if all assumptions were held unchanged.

- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 5.2 M (decrease by Rs 5.2M) if all assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

The VRS Scheme is payable as follows:

Current liabilities

Payable within one year

2014 Rs	2013 Rs
2,377,000	-

Non-current liabilities

Payable after one year

2014	2013
10,905,232	14,120,915
13,282,232	14,120,915

17 DEFERRED INCOME

Opening balance - 01 January
Transfer to Income Statement
Closing balance - 31 December

2014 Rs.	2013 Rs.
17,285,280	18,051,535
(766,255)	(766,255)
16,519,025	17,285,280
15,752,770	16,519,025
766,255	766,255
16,519,025	17,285,280

Classification:

Non current liabilities
Current liabilities

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

Page 28

 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2014

18 LONG TERM BORROWINGS

	2014		2013	
	€	Rs	€	Rs
Buildings - Note (a)		20,738,538		20,738,538
Onion & seed Stores - Note (b)	492,799	19,211,273	537,599	22,628,609
	492,799	39,949,811	537,599	43,367,147
Loan payable within 1 year	44,800	1,746,479	44,800	1,885,717
Loan payable within 2-5 years	179,200	6,985,914	179,200	7,542,866
Loan payable within 6-10 years	223,999	8,732,393	223,999	9,428,583
Loan payable more than 10 years	44,800	22,485,026	89,600	24,509,982
Long Terms Loans	447,999	38,203,333	492,799	41,481,431
Rate EURO/Rs.	38.984		42.092	

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.

19 TRADE AND OTHER PAYABLES

	2014 RESTATED Rs.	2013 RESTATED Rs.
Trade payables	12,652,486	28,338,661
Other payables	798,786	876,460
Accruals	4,926,298	4,783,294
Provision for sick leaves	1,203,271	1,384,232
Provision for passage benefits	1,500,000	1,400,000
Provision for vacation leaves	1,869,541	136,990
Provision for VRS	2,377,000	-
Deposits on rental of AMB cold rooms	2,384,318	6,151,138
Payment on account	2,560,268	13,102,783
Food Security Fund	11,928,771	15,116,294
	42,200,738	71,289,851

20 SHORT TERM BORROWINGS

Proportion of long term borrowings repayable within one year	1,746,479	1,885,717
--	------------------	------------------

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

21 TURNOVER

An analysis of the organisation's turnover is as follows :

PRODUCE	2014		2013
	Quantity	Amount	Quantity
	TONS	RS	TONS
Imported Potatoes	2347	57,035,726	3057
Local Potatoes	3579	85,108,975	5009
Imported Onions	5343	126,113,543	4686
Local Onions	876	22,956,028	748
Rodrigues Onions	49	1,170,512	67
Imported Seed Potatoes	701	30,196,998	846
Local Seed Potatoes	665	29,063,782	542
Imported Garlic	1591	175,034,037	1572
Local Garlic	34	2,055,834	13
Imported Bean Seeds	4	766,400	4.5
Imported Onion Seeds	0.7	3,499,000	0.6
Local Onion Seeds	0.2	750,875	0.4
Imported Cardamom	2	1,005,455	14
Imported Turmeric Finger	0	-	178
Imported Turmeric Powder	20	1,731,288	95
Others		2,678,794	
TOTAL TURNOVER		539,167,247	

Following the liberalisation of the import of Cardamoms and Turmeric Finger / Powder, the sales of these products have decreased significantly.

22 COST OF PRODUCTION

	2014	2013
Cost of sales:	Rs	Rs
Opening stock	122,575,501	167,154,928
Purchases	401,194,465	431,938,555
Closing stock	(109,002,585)	(122,575,501)
	414,767,381	476,517,981
Operating expenses (storage cost):		
Staff Costs	42,901,800	53,001,448
Electricity and water	33,344,331	32,819,124
Insurance	1,514,015	1,483,108
Repairs and maintenance	5,396,437	7,158,807
Security services	1,811,441	1,530,029
General expenses - store	1,020,641	1,084,693
Waste Disposal	207,500	-
Compensation to dealers	2,094,595	1,651,179
Motor vehicle running expenses	509,732	637,624
Depreciation	8,254,134	8,420,507
	511,822,006	584,304,500

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 30

23 SEGMENT REPORTING □

The AMB has identified as separate segments each distinguishable activity or group of activities by product for which financial information is reported, for purposes of:

- (a) evaluating the past performance of the entity in achieving its objectives, and
- (b) making decisions about the allocation of resources by the entity.

The surplus of Rs 52,910,121 for year ended December 2014 is made up as shown below. Deficits on these products are cross subsidized from surpluses on sales of other products.

	POTATOES	ONIONS	GARLIC	SEEDS	OTHERS	TOTAL
	RS M	RS M	RS M	RS M	RS M	RS M
REVENUE	165,715,646	176,393,147	181,840,731	68,614,178	5,995,199	598,558,900
COST OF PRODUCTION	(166,897,707)	(184,267,081)	(91,581,895)	(64,187,265)	(5,570,473)	(512,504,421)
OPERATING SURPLUS/(DEFICIT)	(1,182,061)	(7,873,933)	90,258,836	4,426,912	424,725	86,054,479
OTHER EXPENSES	(13,072,702)	(13,138,664)	(3,232,156)	(3,631,402)	(69,434)	(33,144,359)
NET SURPLUS/(DEFICIT)	(14,254,763)	(21,012,598)	87,026,679	795,510	355,291	52,910,121

24 OTHER OPERATING INCOME

	2014	2013
	Rs	Rs
Strategic Buffer Fee	18,416,200	13,787,400
Administrative fee	80,498	4,225,036
By-Catch Fish	500,497	617,745
Rental Income	26,222,367	25,886,398
Interest on credit sales	391,764	573,426
Gain on uncertified seeds	1,787,204	-
Compensation from suppliers	-	368,640
Gain on FOREX	2,998,426	-
	50,396,955	45,458,645

(i) Strategic Buffer Stock Fee of Rs 2.20 per kg, claimed on all private imports of potatoes and onions, is kept as a cost of holding a buffer stock of at least two and a half weeks consumption.

(ii) Commission received on By-Catch Fish of Rs 3/kg directly upon weighing of goods at AMB Trou Fanfaron Fish Cold Store.

(iii) As from year 2014 the list of Controlled Products henceforth comprise of only Dry Whole Onions, Fresh Whole Garlic, Fresh Whole Potatoes and its seeds.

AGRICULTURAL MARKETING BOARD

Page 31

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	RESTATED	RESTATED
	2014	2013
25 ADMINISTRATIVE EXPENSES	Rs	Rs
Staff Costs	20,935,490	22,842,062
Overseas travelling	21,744	893
Motor vehicle running expenses	218,457	273,268
Postage, printing and stationery	623,938	385,743
Advertising	337,580	605,180
Telephone	438,376	398,332
Legal and professional fees	678,141	224,856
Training expenses	136,400	79,000
Audit fees	275,000	275,000
Consultancy fees	14,375	172,500
General expenses	697,024	760,311
Repairs and maintenance- IT	445,162	754,390
Board members fees	678,819	794,895
Bad Debts	4,300,000	103,892
Donation	-	50,000
Rent of leasehold land	22,500	22,500
Depreciation	2,063,534	2,105,127
	31,886,539	29,847,948
26 INVESTMENT AND OTHER INCOME		
Interest on bank balances and bank deposits	3,360,835	2,370,270
Interest on Sinking Fund	772,132	666,179
Interest on staff Loan	101,790	70,282
Insurance Claims	27,121	322,628
Ex-Tobacco Board	2,067,891	-
Gain on sale of Fixed Asset	356,918	-
Deferred income	766,255	766,255
Other Income	641,608	491,418
	8,094,550	4,687,032

Other Income comprises of an amount of Rs 2,067,891 received from MOA in favour of Ex-Tobacco Board employees redeployed at the AMB, catering for payment of salaries, allowances and other contributions for period February 2014 to December 2014

27 FINANCE COSTS

Interest on long term loans from Government of Mauritius and EDF	1,038,823	1,112,942
Interest on bank overdraft and import loans	1,264	6,376
	1,040,087	1,119,318

AGRICULTURAL MARKETING BOARD

Page 32

 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2014

28 PRIOR YEAR ADJUSTMENT UNDER IAS 8

	2014	2013
	Rs	Rs
(I) Interest on Sinking Fund: In 2013 an adjustment of Rs 2,464,512 was made for interest payable which was overstated for prior years. This amount was wrongly netted off against interest receivable of Rs 3,013,978.	-	(3,130,691)
(II) Understatement of Stock figure - Store items such as stationery and petty stores as at 31st December 2013 and 2014 were not recognised as inventories as they were incorrectly expensed during the respective years. Necessary amendments is being made to account for same as stock figure.	452,507	391,041
(III) No provision for Restructuring cost was made in year 2013 as per IPSAS 19. A provision of Rs 14,120,915 is being disclosed for 2013 as prior year adjustment.	-	14,120,915
	<u>452,507</u>	<u>11,381,265</u>

TEL : (+230) 433 4025
FAX : (+230) 433 4837
E-MAIL : agbd@intnet.mu
WEBSITE : <http://amb.intnet.mu>