



# Annual Report

# 2015



**AGRICULTURAL  
MARKETING BOARD**



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## **STATEMENT OF CHAIRMAN**

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

Dear Minister,

On behalf of the Board members and the Management of the Agricultural Marketing Board and in accordance with the provision of Section 25 of the Mauritius Agricultural Marketing Board Act (1963), I have the honour to submit our Annual Report for the year ending 31<sup>st</sup> December 2015.

Since its appointment in June 2015, the new Board in close collaboration with the Management had been striving hard to do away with the 'business as usual' approach. In this context, a brainstorming exercise was organized with all its stakeholders, including the Management, staff and support staff to propose something new that would enable the Agricultural Marketing Board to move to new heights with more challenging perspectives within and outside Mauritius.

The outcome of this exercise has been an action plan that would enable the AMB to be recognized as an organization playing a key role in our struggle towards achieving food security and well in line with the Strategic Plan 2016-2020 of the Parent Ministry.

Our Annual Report 2015 gives a clear overview of the different activities undertaken by the AMB during the year and also confirms its sound financial status.

Thank you, dear Minister for your unflinching support.

Yours faithfully



**Dr K Payandi Pillay,**  
**Chairman**

Date: 04 April 2017

## **GENERAL MANAGER'S REPORT**

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 2015 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 2015 has been the organisation of the one-day strategic thinking session on the theme **AMB: Moving To New Heights** bearing in mind issues related to food security, food waste, SMART agriculture and exploitation of new potential in Africa. Mauritius is facing presently new challenges and we have to be more pro-active so as to attain our objectives. We need to venture into uncharted territories and find new avenues for this sector. The aim of the workshop was to set a new vision for the AMB in the wake of new challenges and opportunities that the new landscape is shaping for this sector and co-generate new ideas for implementation. Subsequently, an action plan has been prepared to drive some major projects which need special attention so as to be in line with the Strategic Plan 2016-2020 of the Parent Ministry.

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 competition in the local market and in line with the diversification of its activities, the AMB has had to face up the reality of the market forces. 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 2015 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.

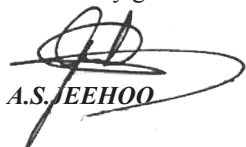
Another noteworthy project in which the AMB has been involved in 2015 is the Freight Rebate Scheme. The Scheme has been continuously managed successfully by the AMB and has contributed hugely to the increasing exportation of Mauritian fruits, vegetables and flowers around the world.

During the year 2015, 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 thereby arousing their interest.

In 2015, the AMB has also been involved in the tendering exercise 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 facilities to the whole food system. Government has earmarked a budget of Rs 370 millions for setting up of this facility.

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 2015.

Due to endless efforts of our team in 2015, the AMB had taken a leap forward on the path of success and service consolidation and is now well set to tackle 2016 challenges. Our stepping up vision and action have set important milestones which will undeniably guarantee the success of the AMB in the forthcoming year 2016.

  
A.S. EEHOO

**General Manager**

# **CORPORATE GOVERNANCE REPORT**

## **The Act**

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

## **Vision**

To be the global strategic partner for a sustainable Agro-Industry.

## **Mission**

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

## **Mandate**

AMB is vested with wide powers in matters relating to the production, storage, import, export and sale of a number of commodities declared as “Controlled Products” by law.

## **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 International Public Sector Accounting Standards and in compliance with the requirements of prevailing statutes. The Board is also responsible for the integrity of these Annual Financial Statements and for the objectivity of any information presented therein.

## **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. The Board discharges the above responsibilities either directly or through Board Committees for more in-depth analysis and review of various issues while retaining its responsibility for all policy matters. The Chairman of each Committee periodically places reports of its proceedings before the Board for approval/information, as may be relevant. The Board promotes openness, integrity and accountability to improve corporate behaviour, strengthens control systems over business and reviews management performance on a regular basis. In addition the Board is committed to ensure that as far as possible, and in accordance with legislation in force, the safety and health of its staff. To fulfill their responsibilities, Board members have unhindered access to accurate, relevant and timely information.


## Internal Control

The Board has an overall responsibility for the safeguarding of assets of the Authority and to prevent and detect fraud and other irregularities. An Audit Committee has been set up to assist the Board in discharging its oversight duty and ensuring the integrity of the financial statements, compliance with applicable and regulatory requirements of an effective performance of the internal audit function.

## Statement of Compliance

We, the Board Members of Agricultural Marketing Board (AMB), confirm that to the best of our knowledge that AMB has complied with all of its obligations and requirements under the Code of Corporate Governance wherever applicable.

Signature.....



Name : **Dr K. Payandi Pillay**  
**Chairman**

Signature .....



**Mr. A.S. Goolaub**  
**Board Member**

Date: 04 April 2017

## **CORPORATE INFORMATION**

### **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.

### **Directors of the Board:**

Dr. K. Payandipillay	Chairman (as from 12 May 2015)
Mrs T. A. Mudhoo	Chairperson - Representative of the Ministry of Agro Industry and Food Security Chairperson (from 12 January 2015 to 11 March 2015)
Mr. Vishnou Gondeea	Chairman - Permanent Secretary of the Ministry of Agro Industry and Food Security Chairperson (from 11 March 2015 to 12 May 2015)
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 (up to 23 March 2015)
Mrs B. F. Chamroo-Jaddoo	Representative of the Ministry of Industry, Commerce and Consumer Protection (as from 23 March 2015)
Mr L. M. Monvoisin	Representative of the Registrar of Co-operative Societies
Mr. S. S. A. M. Goolaub	Independent Member (As from 03 December 2013)
Mr. B. Daboo	Independent Member (Up till 12 May 2015)
Mr. S. Lallbeeharry	Independent Member (Up till 12 May 2015)
Mr M. Wadallee	Independent Member (Up till 12 May 2015)
Mr H. Woodun	Independent Member (as from 12 May 2015)
Mr M. P. Bissessur	Independent Member (as from 12 May 2015)
Mr. L. Seegoolam	Independent Member (as from 12 May 2015)
Mr N. Nabeeamode	Independent Member (as from 12 May 2015)
Mr B. K. Seetaram	Independent Member (as from 12 May 2015)



## **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.

### **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.

### **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.

### **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.

### **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.

## COMPOSITION SUB-COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

1.	Mr R. Motah	Ministry of Finance & Economic Development – <b>Chairperson</b>
2.	Mr. H. Woodun	Independent Member
3.	Mr. L. Seegoolam	Independent Member
4.	Mrs. F. Chamroo/Jaddoo	Ministry of Industry, Commerce and Consumer Protection
5.	Mr S. S. A. M. Goolaub	Independent Member

### FINANCE & TENDER COMMITTEE

1.	Mr. P. Teeloku	Ministry of Agro-Industry and Food Security – <b>Chairperson</b>
2.	Mr L. M. Monvoisin	Ag. Registrar of Cooperative Societies, Ministry of Business, Enterprise and Cooperatives
3.	Mr R. Motah	Ministry of Finance & Economic Development
4.	Mr S. S. A. M. Goolaub	Independent Member
5.	Mr. L. Seegoolam	Independent Member

### QUOTA COMMITTEE

1.	Mr S. S. A. M. Goolaub	Independent Member – <b>Chairperson</b>
2.	Mr. P. Teeloku	Ministry of Agro-Industry and Food Security
3.	Mr B. K. Seetaram	Independent Member
4.	Mr. H. Woodun	Independent Member
5.	Mr. M. Bissessur	Independent Member

### STAFF COMMITTEE

1.	Mr. P. Teeloku	Ministry of Agro-Industry and Food Security – <b>Chairperson</b>
2.	Mrs. F. Chamroo/Jaddoo	Ministry of Industry, Commerce and Consumer Protection
3.	Mr S. S. A. M. Goolaub	Independent Member
4.	Mrs. J. Sauzier	Independent Member
5.	Mr. N. Nabeeamode	Independent Member

### SUPPLIES COMMITTEE

1.	Mr. P. Teeloku	Ministry of Agro-Industry and Food Security – <b>Chairperson</b>
2.	Mrs. F. Chamroo/Jaddoo	Ministry of Industry, Commerce and Consumer Protection
3.	Mr R. Motah	Ministry of Finance & Economic Development
4.	Mr S. S. A. M. Goolaub	Independent Member
5.	Mr B. K. Seetaram	Independent Member

## SITTINGS OF THE BOARD AND ITS SUB-COMMITTEES

	2015
Board Meeting	9
Special Board Meeting	11
Audit Committee	1
Finance & Tender Committee	5
Quota Committee	7
Staff Committee	8
Supplies Committee	35
<b>Total</b>	<b>76</b>

### *Other Committees*

#### **National Potato Committee**

#### **National Onion and Garlic Committee**

**Anti-Corruption Committee:** In a spirit of cooperation with ICAC in the development of an Anti-Corruption Framework to combat fraud and corruption in the Public Sector, the Board has set up an Anti-Corruption Committee comprised of Senior Management Personnel as members.

## **REMUNERATION OF MEMBERS**

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

<b>Board Members</b>	<b>Fees (Rs)</b>
Mr V.Goondeea	32,821
Mrs T. A. Mudhoo	15,629
Dr K.Payandipillay	185,204
Mr P.Teeloku	9,545
Mrs B.F. Chamroo-Jadoo	34,085
Mr L.M. Monvoisin	11,240
Mr. R. Motah	30,779
Mr M. Wadallee	12,112
Mr A. Goolaub	54,639
Mr. S. Lallbeeharry	4,866
Mr H.Woodun	13,409
Mr M.P.Bissessur	11,369
Mr L.Seegoolam	10,646
Mr N.Nabeeamode	14,195
Mr B.K.Seetaram	11,772
Mrs J.Sauzier	11,368
<b>Total</b>	<b>463,679</b>

## ADMINISTRATIVE STAFF

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

## CODE OF CONDUCT

The Board is committed to ethical practices in the conduct of its business and has adopted a code ethics which sets out standards for its employees.

## PROFESSIONAL SERVICES

- a) **AUDITOR** – The National Audit Office
- b) **BANKERS** – State Bank of Mauritius Ltd
- c) 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, onions, garlic and seeds were given the opportunity to sell their produce to the AMB at floor prices, which were paid for, based on well established specifications.

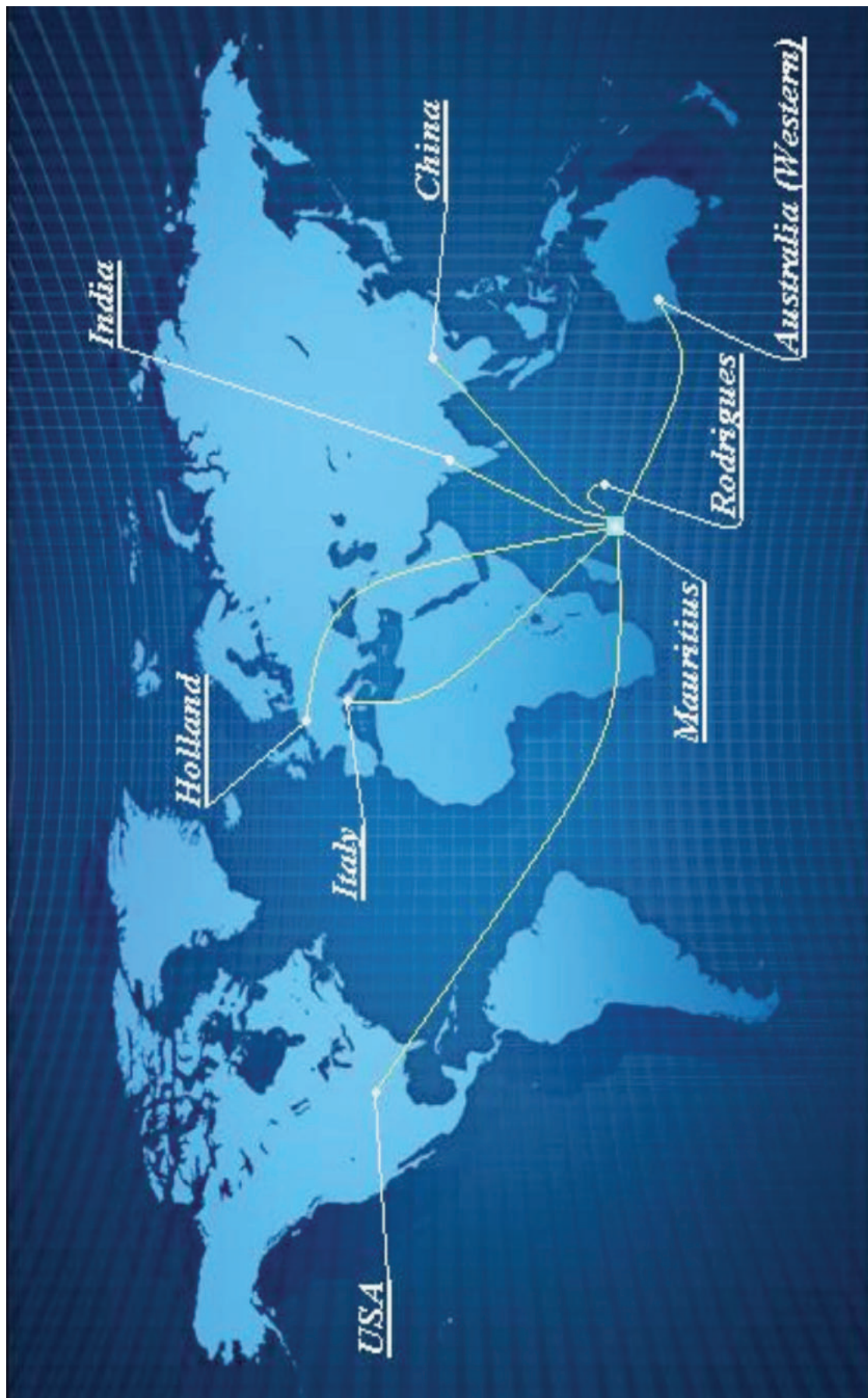
However, during off-season period, the AMB had recourse to imports in order to ensure supply of certain produce on the local market. Based on allocated quota, potatoes and onions were imported both by the AMB and the privates during the period when there was no local production, so as not to get engaged 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 m<sup>3</sup>. The temperature goes down to +2° Celsius except for one cold room of capacity 330 m<sup>3</sup>, which goes down to -8° Celsius. The Airport Cold Store 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, Petit Sable, Belle Mare, Palmar. These stores have been put at the disposal of the planting community for the curing / storage of onions after harvest.

## AMB'S RETAILING UNITS

Currently operational retailing units are 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 (Ex-Feed Distribution Centre)	Sundays	
8	Rivière des Anguilles Retail Outlet (Ex-Feed Distribution Centre)	Saturdays	
9	Moka Retail Outlet	Every day except Sundays	
10	Vallée Des Prêtres Retail Outlet (Ex Feed Distribution Centre)	Thursdays and Saturdays	
11	Montagne Blanche Retail Outlet ((Ex Feed Distribution Centre)	Saturdays	
12	Triolet Retail Outlet (Ex-Feed Distribution Centre)	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 2015.

In 2015, 825 tonnes of Spunta seed potato were produced.

Seeds for ware production were sold in 2015 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	118,230
Belle Vue Sugar Estate	42,360
ENL Agri Ltd	237,880
Nouvelle Industrie Sugar Estate	150,760
Dukhi Deywanand	140,420
Cie Sucrière de St Antoine	89,920
Runghen	31,090
Medine Sugar Estate	13,950
<b>Total</b>	<b>824,610</b>

## 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 2015.

### IMPORT OF SEEDS POTATO FOR WARE PRODUCTION – CAMPAIGN 2015 (AMB & PRIVATES)

Producer	Variety	Qty (T)	Supplier	Origin
AMB	Imported Spunta	100	HZPC	The Netherlands
		119	Southern Packers	Australia
Sub – Total		219		
	Delaware	266	Southern Packers	Australia
		75	Lake Jasper	Australia
Total		560		
MCA	Spunta	183	Stet Holland/TPC	The Netherlands
		65	Southern Packers	Australia
	Melanto	2.2	Stet Holland	The Netherlands
	Kastelli	1.6	Stet Holland	
	Safari	1.1	Stet Holland	
	Ratte	0.15	TPC	
	Bergerac	0.1	TPC	
	Virelotte	0.1	TPC	
	Delaware	0		
Sub -Total		253.25		
Cope Sud	Spunta	25	Southern Packers	Australia
	Delaware	100	Lake Jasper	Australia
		225	Southern Packers	Australia
	Mondial	50	WVAMK Ltd	South Africa
Sub – Total		400		
St Antoine SE	Spunta	15	Southern Packers	Australia
Ellaya P		40	Stet Holland	Australia
Total (Private Producers)		708.25		
Grand - Total		1,268.00		

## COST OF IMPORTED SEED POTATO FOR WARE PRODUCTION BY AMB

Variety	Origin	Average Price C & F (Rs/ tonne)	Invoice Quantity (tonne)
Delaware	Australia	34,734	350
Spunta	The Netherlands	27,259	100
Spunta Normal	Australia	34,047	125
Spunta Mondial	South Africa	-	-
<b>Total</b>			<b>575</b>

## SALE OF SEED POTATO FOR WARE PRODUCTION

Producer Groups	Spunta (t)		Delaware (t)	Total (t)
	Local	Imported		
Sugar Estates	141	5	26	172
Other Potato Growers	537	205	288	1,030
<b>Total</b>	<b>678</b>	<b>210</b>	<b>314</b>	<b>1,202</b>

## SALE OF SEED POTATO FOR SEED PRODUCTION

In 2015, 219 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 (Netherlands) for multiplication as below:

VARIETY	ORIGIN	AVERAGE COST C & F (Rs / tonne)	QUANTITY (tonne)
Spunta	The Netherlands	29,166	225

In 2015, 225 tonnes of basic Spunta seeds were imported from HZPC.

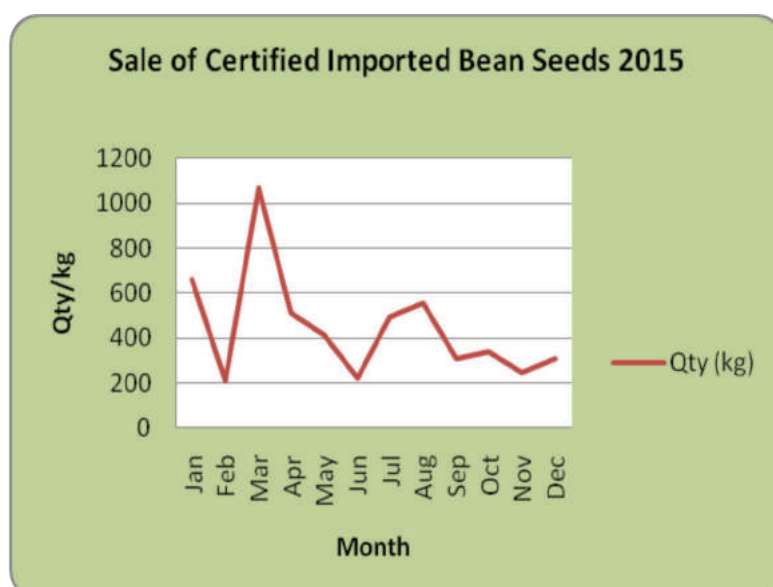
The AMB continued to providing a service to the planting community by ensuring a regular supply of bean seeds and onion seeds which are compatible to the local climatic condition at reasonable prices.

## BEAN SEEDS

In 2015, the AMB procured 4,840 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	164,204	4,840 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, upon 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)	Qty (kg)
Nun 7272		20,100	145
Star 5517		-	-
Star 5529		-	-
Bellarose	Grade I	4,500	58.5
	Grade II	2,250	32.5
Francia	Grade I	5,500	87
	Grade II	2,750	3.5

*N.B: Variety Star 5529 was unavailable from South Africa*

## 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 13.3 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 was 85 tonnes in 2015.

# 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.

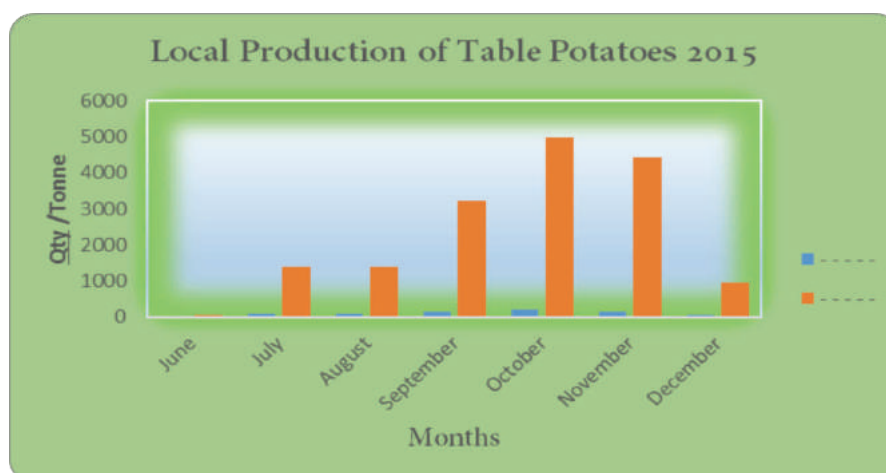


## LOCAL PRODUCTION AND IMPORTS

In 2015, 16,427 tonnes of table potatoes were produced in Mauritius.

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (tonne)	Quantity (tonne)
January	-	-	-
February	-	-	1,792
March	-	-	1,540
April	-	-	1,064
May	-	-	616
June	5.5	66	280
July	73.0	1,373	196
August	79.8	1,380	-
September	152.0	3,226	112
October	212.0	4,997	-
November	139.8	4,431	52
December	43.9	954	280
<b>Total</b>	<b>706.9</b>	<b>16,427</b>	<b>5,932</b>

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) 383,450 kg (1<sup>st</sup> grade ware potatoes from Spunta and Delaware seeds)
- (ii) 663,860 kg (+ 4 cm Delaware ware potatoes)
- (iii) 3,150 kg (small ware potatoes – Rs 11,000/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 2015. The latter were allocated quotas for import, only during period when local production was not available so as to encourage local producers.

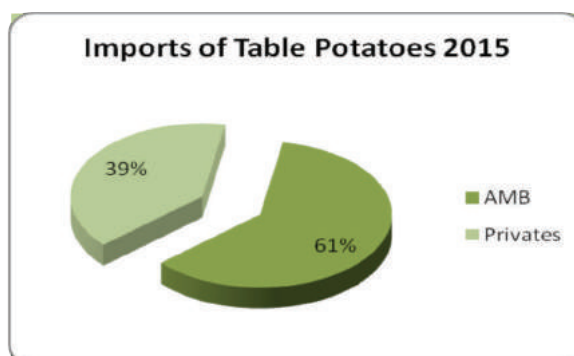
In 2015, the AMB imported 5,932 tonnes of table potatoes while private parties imported 3,836. tonnes.

## IMPORTS & COST OF IMPORTS OF TABLE POTATOES

<i>Country of Origin</i>	<i>Quantity (tonne)</i>	<i>Weighted Average C &amp; F (Rs/tonne)</i>
India	5,488	19,584
South Africa	444	18,316

The weighted average cost of imports (C&F) for the AMB in 2015, was Rs 19,489 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 and imported potato started again till July. The sale declined again 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.

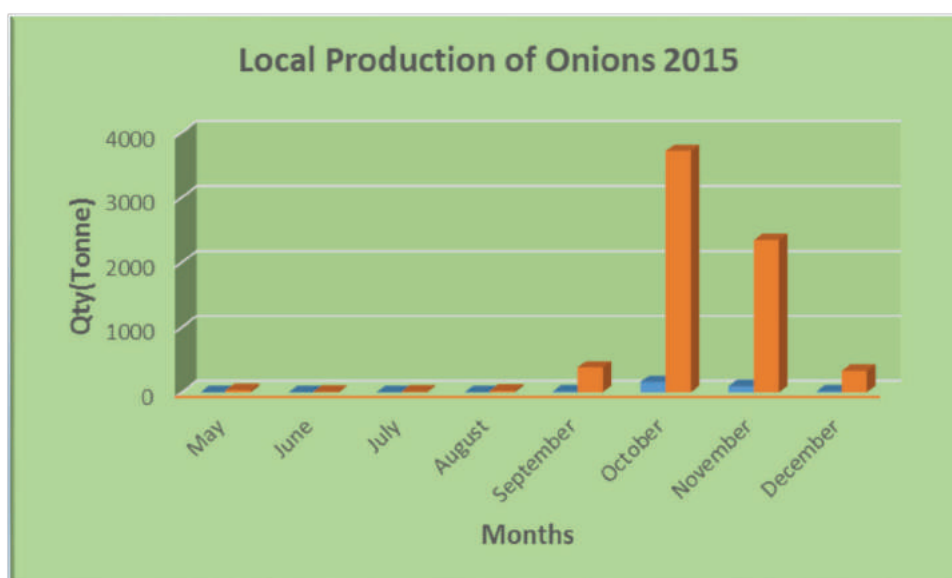
### **LOCAL PRODUCTION AND IMPORTS**

In 2015, 6,898 tonnes of onions were produced in Mauritius.



MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (tonne)	Quantity (tonne)
January	2.5	48.9	1,260
February	-	-	420
March	-	-	1,428
April	-	-	1,231
May	1.9	32.9	-
June	0.6	9.4	308
July	1.3	12.4	812
August	1.6	23.50	756
September	13.70	380.70	532
October	156.90	3,715.60	-
November	90.20	2,344.70	308
December	13.8	329.80	-
<b>Total</b>	<b>282.60</b>	<b>6,898</b>	<b>7,055</b>

*Source: Statistics Mauritius & AMB (Imports only)*



## PURCHASE OF LOCAL ONIONS BY AMB

In 2015, AMB purchased 811.2 tonnes of local onions from planters.

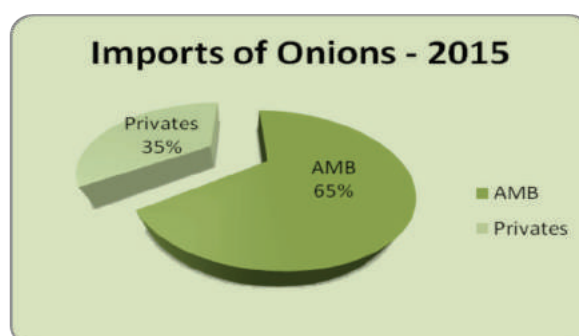
## IMPORTS & COST OF IMPORTS – ONIONS

<i>Country of Origin</i>	<i>Quantity Imported (tonne)</i>	<i>Average Cost C &amp; F Rs/tonne</i>
India	6,384	21,743
Egypt	308	23,485
Holland	308	25,347
South Africa	55	21,602
<b>Total</b>	<b>7,055</b>	

The weighted average cost of imports (C&F) for AMB, in 2015, was Rs 21,976. per tonne.

## IMPORTS BY AMB V/S PRIVATE IMPORTERS

In order to ensure regular supply on the local market, onions were imported in 2015, both by the AMB (7,055 tonnes) and private parties (3,724 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 2015, a total of 33.6 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 as from March. 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 was 85 tonnes in 2015.



## LOCAL PRODUCTION AND IMPORTS

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (tonne)	Quantity (tonne)
January	-	-	-
February	-	-	280
March	-	-	84
April	-	-	196
May	-	-	140
June	-	-	140
July	-	-	-
August	0.1	1	280
September	3.7	24	168
October	7.8	48	140
November	1.6	11	84
December	0.1	-	112
<b>Total</b>	<b>13.3</b>	<b>85</b>	<b>1,624</b>

*Source: Statistics Mauritius & AMB (Imports only)*

The sale of garlic varied in the range of 120 to 135 tonnes per month.

Country of Origin	Quantity Imported (tonne)	Average Cost C & F Rs/tonne
China	1,624	50,996
<b>Total</b>	<b>1,624</b>	<b>50,996</b>

## OTHER CONTROLLED PRODUCTS

### CARDAMOMS

ORIGIN	IMPORT
	Quantity (tonne)
India	0.5



### TURMERIC (POWDER & FINGER)



PRODUCT	ORIGIN	IMPORT
		Quantity (tonne)
Turmeric Powder	India	4

### BEAN SEEDS

ORIGIN	PURCHASE
	Quantity (tonne)
Tanzania	4.84





# **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 2015, AMB had a stock of 133,200 tins of canned tomatoes from Italy.

## **POLYMESH BAGS**

In 2015, 300,000 units of polymesh bags were imported by AMB from China for its own use as well as sale to planters.

## **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 2015, the AMB imported 113,131 units of 100ML, 8,041 units of 150 ML, 41,178 units of 200 ML.

## **CARROTS**



In 2015, the AMB imported 26 tonnes of carrots from South Africa as local production was affected due to adverse climatic conditions in Mauritius.



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**REPORT OF THE  
DIRECTOR OF AUDIT**

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**On the Financial Statements  
Of the Agricultural Marketing Board  
for the Year Ended 31 December 2015**

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**NATIONAL AUDIT OFFICE**

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# 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 financial statements of the Agricultural Marketing Board (Board) on pages 2 to 38 set out at end of its Annual Report 2015, which comprise the statement of financial position as at 31 December 2015 and the statement of profit and loss and other comprehensive income, statement of changes in equity, statement of cash flows 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 Board'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 Board'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.

## **Basis for Qualified Opinion**

### *Revaluation of Assets*

The assets of the Board were revalued with effect from 31 December 2014. That exercise yielded a revaluation surplus of Rs 179.5 million.

Contrary to the requirements of International Financial Reporting Standards, that revaluation surplus was not recognised in 'other comprehensive income' on the face of the statement of profit or loss and other comprehensive income for comparative year 2014.

### *Litigation and Claims*

No independent confirmation from the legal adviser in respect of cases at court was submitted to the National Audit Office as of May 2017. Hence sufficient appropriate audit evidence has not been obtained as to whether potentially material litigation and claims existed at end of financial year 2015.

## **Opinion**

In my opinion, except for the possible effects of the matters 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 at 31 December 2015, 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 qualified opinion.

### ***Statutory Bodies (Accounts and Audit) Act***

#### ***Submission of Annual Report***

Section 7 of the Statutory Bodies (Accounts and Audit) Act provides for the submission to the National Audit Office (NAO) by the Board of an annual report consisting of its financial statements not later than four months after financial year end. A draft annual report of the Board together with its financial statements for financial year ending 31 December 2015 were received at the NAO on 2 May 2016.

The Board's annual report for financial year 2015 consisting of an amended financial statements for that financial year was subsequently received at the NAO on 5 April 2017, that is, 11 months after above statutory deadline.

Contrary to the Act, the financial statements were signed by the Chairperson and the General Manager, instead of by the Chairperson and another Board member.

## **Opinion**

In my opinion, except for the non-compliance with the Act as described in the above paragraphs, 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 Board is responsible for the planning and conducting 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 Board is 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 the Code.

In my opinion the disclosure in the annual report is consistent with the requirements of the Code.



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

National Audit Office  
Level 14  
Air Mauritius Centre  
**PORT-LOUIS**

30 June 2017



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## **FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31 DECEMBER 2015**

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# AGRICULTURAL MARKETING BOARD

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED

**31 DECEMBER 2015**

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STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2015

<b>ASSETS</b>	<b>Notes</b>	<b>2015</b>	<b>2014</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>Non-Current Assets</b>			<b>RESTATED</b>
Land	4	5,000,000	5,000,000
Property, plant and equipment	4	249,705,294	272,413,399
Intangible assets	5	259,201	262,200
Loans receivable	6	715,074	1,119,118
		<b>255,679,569</b>	<b>278,794,718</b>
<b>Current Assets</b>			
Inventories	7	93,475,336	120,415,708
Loans receivable	6	482,065	476,425
Sinking Fund	8	-	16,048,398
Trade and other receivables	9	64,999,946	57,735,876
Medical Assistance Fund	10	5,474,556	5,356,066
Fixed Deposit Investment	11	100,000,000	100,000,000
Cash and cash equivalents	12	169,155,430	86,078,861
		<b>433,587,334</b>	<b>386,111,334</b>
<b>TOTAL ASSETS</b>		<b>689,266,903</b>	<b>664,906,051</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Retained earnings	13	353,711,885	287,953,564
Medical Assistance Fund	10	5,474,556	5,356,066
Revaluation reserves	14	179,537,571	106,656,919
Other Reserves	14	(94,188,179)	-
		<b>444,535,833</b>	<b>399,966,549</b>
<b>Non-Current Liabilities</b>			
Non current payables	15	26,567,438	23,202,852
Retirement benefit obligations	16	147,639,179	122,373,672
Voluntary Retirement Scheme	16	8,157,970	10,905,232
Deferred income	17	14,271,703	20,254,119
Long-term borrowings	18	-	38,203,333
		<b>196,636,289</b>	<b>214,939,208</b>
<b>Current Liabilities</b>			
Trade and other payables	19	45,827,630	42,200,738
Short term borrowings	20	-	1,746,479
Deferred income	17	2,267,151	766,255
Bank overdraft	12	-	5,286,822
		<b>48,094,781</b>	<b>50,000,294</b>
		<b>689,266,903</b>	<b>664,906,051</b>

Approved by

  
CHAIRMAN

  
GENERAL MANAGER

The notes on pages 6 to 38 form part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015	2014
		Rs.	RESTATED Rs.
Revenue	21	664,129,442	539,167,247
Cost of operations	22	(632,936,350)	(511,822,006)
Gross Surplus		31,193,092	27,345,242
Other operating income	24	69,485,066	50,396,955
Operating surplus		100,678,158	77,742,197
Administrative expenses	25	(50,386,769)	(31,886,539)
Investment and other income	26	11,124,112	8,094,550
Finance costs	27	(8,617)	(1,040,087)
Surplus for the year	13	61,406,883	52,910,121
<b>Other comprehensive income for the year:</b>			
Remeasurement of defined benefit obligation	16	(21,307,528)	(38,504,561)
Total comprehensive income for the year		40,099,355	14,405,560

The notes on pages 6 to 38 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Medical Assistance Fund	Retained Earnings	Revaluation reserve	Other Reserves	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Balance at 01 January 2014</b>	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
Adjustment revaluation of fixed assets			176,504,383		176,504,383
Adjustment impairment of fixed assets in 2014		(1,614,667)			(1,614,667)
Remeasurement of Defined Benefit Obligation	-	-	(38,504,561)		(38,504,561)
Total comprehensive income for the year	-	-	(38,504,561)		(38,504,561)
<b>Balance at 31 December 2014</b>	<b>5,356,066</b>	<b>287,953,564</b>	<b>106,656,919</b>	<b>-</b>	<b>399,966,549</b>
Movement in medical assistance fund	118,490				118,490
Net surplus for the year		61,406,883			61,406,883
Impairment of Fixed Assets adjustment in 2015		1,614,667	-		1,614,667
Prior year adjustment to Revaluation Reserve 2014			72,880,651	(72,880,651)	-
Prior year adjustment to VRS 2005/2013		374,482			374,482
Prior year adjustment to Repairs and Maintenance 2013		147,918			147,918
Prior year adjustment to Grant since 2007		2,214,369			2,214,369
Other comprehensive income for the year				(21,307,528)	(21,307,528)
Total comprehensive income for the year				(21,307,528)	(21,307,528)
<b>Balance at 31 December 2015</b>	<b>5,474,556</b>	<b>353,711,884</b>	<b>179,537,570</b>	<b>(94,188,179)</b>	<b>444,535,831</b>

The notes on pages 6 to 38 form part of these financial statements.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
		RESTATED
Notes	Rs.	Rs.
<b>Cash flow from operating activities</b>		
<b>Net surplus for the year</b>	<b>61,406,883</b>	52,910,121
<b>Adjustments for:-</b>		
Depreciation, amortisation and Impairment	32,763,073	10,248,430
(Over)/Under Depreciation	-	69,241
Retirement benefit obligations	3,957,979	393,493
Voluntary Retirement Scheme	-	(3,215,683)
Employees benefit	3,079,328	(4,104,230)
Gain on uncertified seeds	(6,413)	-
Loss/(Profit ) on disposal	269,600	(356,918)
Grant amortised	(2,267,151)	(766,255)
Stock adjustment for stationery		-
Foreign exchange loss/(gain)-EDF Loan	(1,577,761)	(1,594,877)
Foreign exchange loss/(gain)-payables	(2,946,517)	-
Interest on Sinking fund	(777,004)	(772,132)
Interest receivable-others	(5,420,917)	(3,854,388)
Over provision of interest on Sinking Fund	-	
Carrying value on disposal		
Sinking Fund Paid		
Interest Expenses	8,617	1,040,088
<b>Operating surplus before working capital changes</b>	<b>88,489,718</b>	49,996,889
Decrease / ( increase ) in trade and other receivables	(7,264,069)	23,255,416
Decrease/ (Increase) in inventories	26,940,372	12,372,822
(Increase)/Decrease in staff loans	398,403	166,109
( Decrease ) / increase in deferred income		-
( Decrease ) / increase in trade and other payables	3,626,892	(29,089,114)
<b>Cash generated from operations</b>	<b>112,191,315</b>	56,702,123
Interest paid	(8,617)	(1,040,087)
<b>Net cash flows from operating activities</b>	<b>112,182,698</b>	55,662,036
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(6,558,438)	(13,996,456)
Proceeds from disposal of non current assets	373,042	501,200
Sinking Fund paid	(3,877,019)	(207,385)
(Increase)/Decrease Sinking Fund		
Interest received	5,420,917	3,854,391
<b>Net cash from investing activities</b>	<b>107,541,200</b>	45,813,786
<b>Cash flows from financing activities</b>		
Repayment of Government loan EDF	(19,177,809)	(1,822,459)
<b>Net increase in cash and cash equivalents</b>	<b>88,363,391</b>	43,991,327
<b>Movements in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the year	180,792,039	136,800,712
Cash and cash equivalents at the end of the year	269,155,430	180,792,039
<b>Net increase in cash and cash equivalents</b>	<b>88,363,391</b>	43,991,327

The notes on pages 6 to 38 form part of these financial statements.

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## Notes to Financial Statements for the year ended 31 December 2015

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### 1. Corporate Information

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

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

The Board also rents storage space whenever available.

### 2. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### *Basis of Preparation*

The financial statements of the Agricultural Marketing Board have been prepared in accordance with 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 1 January 2015. At the date of authorization of these financial statements, the following Standards and Interpretations were in issue on annual periods beginning on or after the respective dates as indicated:

#### **2.1 New and revised IFRSs applied with no effect on financial statements**

##### IAS 1 *Presentation of Financial Statements*

These classifies 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 contain 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 realizable 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 recognized in profit or loss on a systematic basis over the periods in which the entity recognizes expenses for the related costs for which 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.

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## Notes to Financial Statements for the year ended 31 December 2015

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### 2. Significant Accounting Policies (Cont'd)

#### 2.1 New and revised IFRSs applied with no effect on financial statements (Cont'd)

##### 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 (*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 (*Amendment*) – *Disclosures: Offsetting Financial Assets and Financial Liabilities*

These amendments require an entity to disclose information about rights to set-off and related arrangements (eg 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 recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized 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.

##### IFRS 8 *Operating Segments*

IFRS 8, Operating Segments requires particular classes of entities (essentially those with publicly traded securities) to disclose information about their operating segments, products and services, the geographical areas in which they operate and their major customers, information based on internal management reports both in the identification of operating segments and measurement of disclosed segment information.

##### 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

## Notes to Financial Statements for the year ended 31 December 2015

### 2. Significant Accounting Policies (Cont'd)

#### 2.1 New and revised IFRSs applied with no effect on financial statements (Cont'd)

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 *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 *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 statements 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.

##### 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.

#### 2.2 The Application of New and Revised International Financial Reporting Standards (IFRSs)

##### 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



## Notes to Financial Statements for the year ended 31 December 2015

### 2. Significant Accounting Policies (Cont'd)

#### 2.2 *The Application of New and Revised International Financial Reporting Standards (IFRSs) (Cont'd)*

gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the statement of financial position to reflect the full value of the plan deficit or surplus.

##### IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*

This outlines how to account for government grants and other assistance. Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes 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 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. The clarification also ensures that interim disclosures are aligned with annual disclosures.

##### 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 accounting treatment and disclosure of changes in accounting priorities, 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

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## Notes to Financial Statements for the year ended 31 December 2015

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### 2. Significant Accounting Policies (Cont'd)

#### 2.2 *The Application of New and Revised International Financial Reporting Standards (IFRSs) (Cont'd)*

were authorized 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.

##### *IFRS 9 Financial Instruments: Classification and Measurement*

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 recognized 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 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 an 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 de-recognition of financial instruments from IAS 39.

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

## Notes to Financial Statements for the year ended 31 December 2015

### 2. Significant Accounting Policies (Cont'd)

#### 2.3 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	1 January 2016
IFRS 9 - Financial Instruments: Hedge Accounting	1 January 2018
IFRS 7 - Financial Instruments: Disclosures	1 January 2016
IFRS 15 - Revenue from Contracts with Customers	1 January 2017
Agriculture - Bearer Plants (Amendments to IAS 16 and IAS 41)	1 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 entry).

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 1 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 1 January 2015.

Under IFRS 9, there are two options in respect of classification of financial assets, namely, financial assets measured at amortized cost or at fair value. Financial assets are measured at amortized 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.

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## Notes to Financial Statements for the year ended 31 December 2015

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### 2. Significant Accounting Policies (Cont'd)

#### 2.3 Standards and Interpretations in issue but not yet effective (Cont'd)

##### IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and

IFRIC 13 Customer Loyalty Programs. These amendments are not expected to impact the Company's financial position or performance.

##### *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.

#### 2.4 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, except that certain property, plant and equipment are carried at revalued amounts, financial assets and financial liabilities (including derivative instruments) at fair value. 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 and where necessary comparative figures have been amended to conform with change in presentation in the current year.

##### (c) *Revenue recognition*

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

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## Notes to Financial Statements for the year ended 31 December 2015

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### 2. Significant Accounting Policies (Cont'd)

#### 2.4 *The principle accounting policies adopted by the Board are set out below: (Cont'd)*

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

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

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.

#### (d) *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.

##### (ii) Transaction 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 recognized 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. 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.

#### (e) *Intangible Assets*

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

#### (f) *Non-Current Assets and Depreciation*

Property, plant and equipment are initially stated at cost or valuation less accumulated depreciation and any accumulated impairment losses. The Property, Plant and equipment of AMB were revalued in 2015 and the effective date of revaluation in the revaluation report was

## Notes to Financial Statements for the year ended 31 December 2015

### 2. Significant Accounting Policies (Cont'd)

#### 2.4 The principle accounting policies adopted by the Board are set out below: (Cont'd)

based on figures at 31 December 2014. The comparative figures for 2014 have been restated accordingly.

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	2.0%
Plant and machinery	10	10.0%
Stores equipment and palletization	8	12.5%
Motor vehicles	10	10.0%
Motor car	8	12.5%
Office equipment	8	12.5%
Fixtures and fittings	10	10.0%
Computer equipment	5	20.0%
Water proofing	10	10.0%
Computer Software	5	20.0%
Tarmac	10	10.0%

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 recognized in the statement of profit or loss and other comprehensive income.

#### (g) Provisions/Contingent Liabilities

##### (i) Provisions

Provisions are recognized 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 recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting

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## Notes to Financial Statements for the year ended 31 December 2015

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### 2. Significant Accounting Policies (Cont'd)

#### 2.4 *The principle accounting policies adopted by the Board are set out below: (Cont'd)*

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 recognized 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 Director's 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.

#### (ii) Contingent Liabilities

A contingent Liability is a possible obligation that arises from past events and whose existence will be confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. A contingent liability should not be recognized but disclosed.

#### (h) *Grants*

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

#### (i) *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.

#### (j) *Retirement Benefit Cost*

##### **State Plan**

Contributions to the National Pension Scheme are charged to the statement of financial performance in the period in which the 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.



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## Notes to Financial Statements for the year ended 31 December 2015

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### 2. Significant Accounting Policies (Cont'd)

#### 2.4 *The principle accounting policies adopted by the Board are set out below: (Cont'd)*

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 2015. Payments to deferred contribution retirement plans are charged as an expense as they fall due.

##### **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 for the year.

Employee entitlement to overseas passage benefits are recognized 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 1,580,521 was treated as short term facilities to provide for any forthcoming payments of passage in the next fiscal year.

#### *(k) Inventories*

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

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## Notes to Financial Statements for the year ended 31 December 2015

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### 2. Significant Accounting Policies (Cont'd)

#### 2.4 The principle accounting policies adopted by the Board are set out below: (Cont'd)

##### (l) *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.

AMB is generally reckoned as an executing arm of the Ministry of Agro-Industry in implementing policy decisions and of government in field of controlled agro products. Thus the Parent Ministry is a related party which have significant control over AMB as represented in the Board.

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

In 2015 a new board was constituted with one member mentioning his interest in By-Catch fish in the name of Tripod Fish Limited. The storage fee related to Tripod Fish Limited for 2015 amounted to some Rs 146,673.

##### (m) *Financial Instruments*

Financial instruments are initially measured at cost. Subsequently, these instruments are measured in their particular recognizing methods as disclosed below:

Financial Assets and Financial Liabilities

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

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

##### (i) 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 amortized cost using

##### (ii) Effective Interest Method

The effective interest method is a method of calculating the amortized 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 recognized on effective interest basis for debt instruments other than those financial assets classified as at FVTLP.

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## Notes to Financial Statements for the year ended 31 December 2015

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### 2. Significant Accounting Policies (Cont'd)

#### 2.4 The principle accounting policies adopted by the Board are set out below: (Cont'd)

##### (iii) 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.

##### (iv) De- recognition of financial assets

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

#### (n) Financial Abilities and Equity Instruments

##### (i) 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.

##### (ii) 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 recognized at the proceeds received, net of direct issue costs.

##### (iii) Financial Liabilities

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

##### (iv) De-recognition of Financial Liabilities

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

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## Notes to Financial Statements for the year ended 31 December 2015

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### 2. Significant Accounting Policies (Cont'd)

#### 2.4 *The principle accounting policies adopted by the Board are set out below: (Cont'd)*

##### (o) *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:

##### (i) Foreign Exchange Risk

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

##### (ii) Credit risk

The Board's activities expose it to financial credit risk. This is primarily attributable to its trade receivables. There is no significant concentration 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.

##### (iii) 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.

##### (iv) 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.

##### (v) Market Risks

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

##### (vi) Operational Risk Management

Operational risk, which is inherent in all organizations 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 recognized that such risks can never be entirely eliminated and the costs of controls in minimizing these risks may outweigh the potential benefits. AMB is dealing in perishable products requiring downgrading of impaired stocks of products resulting in revenue losses as products had to sell below their cost. There is also a policy for AMB to hold buffer stock during the whole year

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## Notes to Financial Statements for the year ended 31 December 2015

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### 2. Significant Accounting Policies (Cont'd)

#### 2.4 *The principle accounting policies adopted by the Board are set out below: (Cont'd)*

required products to be sold for long periods, thereby leading to impairment in stocks and considerable loss in sales value.

##### (vii) 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 unauthorized 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.

##### (p) *Impairment*

A survey was conducted by Mega Design Ltd based on Financial Statements ended 31 December 2014. The Assets have been restated following the valuation report submitted by the said company. The restatement of comparative information for 2014 show a true and fair view after the revaluation exercise.

##### (q) *Borrowing costs*

Borrowing costs are recognized as an expense on an accruals basis.

##### (r) *Reclassifications*

Certain reclassifications have been made to the financial statements for the fiscal year ended 31 December 2014 to conform to the current period presentation. The reclassifications had no effect on the previously reported surplus.

##### (s) *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 recognized 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 recognized on a straight-line basis over the lease term.

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## Notes to Financial Statements for the year ended 31 December 2015

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### 3. Critical Accounting Estimates and Judgements

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.

#### 3.1 *Critical Accounting Estimates and Assumptions*

In the application of the Board's accounting policies, which are described in note 2.4, 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 recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognized 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.

#### 3.2 *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

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

Determining the carrying amount of non-current assets and 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 has 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 customer's financial conditions.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

**4. PROPERTY, PLANT AND EQUIPMENT**

	2% Building, Tarmac & Infrastructure	10% Plant and machinery	12.5% Stores equipment and palletisation	10% Motor vehicles	12.5% Motor car	12.5% Office equipment	10% Furniture and fittings	20% Computer equipment	Total
COST/ VALUATION	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At 01 January 2014	107,541,569	205,356,903	61,548,643	7,411,235	2,007,602	4,167,617	1,440,377	7,617,371	397,091,317
Additions	189,110	-	10,773,580	-	1,135,600	1,309,454	300,935	287,777	13,996,456
Revaluation	67,009,995	99,828,424	7,361,442	870,000	606,349	-	84,660	41,665	175,802,535
Disposal	-	-	-	(1,556,127)	(2,007,602)	-	-	-	(3,563,729)
Transfer	-	-	1,097,215	-	(1,097,215)	-	-	-	-
Impairment	-	-	(1,425,121)	-	-	(137,043)	(17,052)	(35,451)	(1,614,667)
Revaluation Adjustment	(40,783,674)	(193,470,327)	(56,655,259)	(5,855,108)	(141,949)	(3,938,013)	(1,105,221)	(7,348,962)	(309,298,513)
<b>At 31 December 2014</b>	<b>133,957,000</b>	<b>111,715,000</b>	<b>22,700,500</b>	<b>870,000</b>	<b>1,600,000</b>	<b>304,800</b>	<b>703,699</b>	<b>562,400</b>	<b>272,413,399</b>
At 01 January 2015	133,957,000	111,715,000	22,700,500	870,000	1,600,000	304,800	703,699	562,400	272,413,399
Additions/Adjustment	-	5,073,225	-	2,772,300	870,000	162,516	170,371	282,326	9,330,738
Disposal	(1,889,209)	-	-	-	-	-	-	-	(1,889,209)
<b>At 31 December 2015</b>	<b>132,067,791</b>	<b>116,788,225</b>	<b>22,700,500</b>	<b>3,642,300</b>	<b>2,470,000</b>	<b>467,316</b>	<b>874,070</b>	<b>844,726</b>	<b>279,854,928</b>
<b>DEPRECIATION</b>									
At 01 January 2014	38,260,004	190,910,365	52,667,655	7,411,235	1,863,319	3,830,105	978,817	7,078,520	303,000,020
Charge for the year	2,454,430	2,559,962	3,828,675	-	141,950	266,837	126,404	270,442	9,648,700
(Over)/Under Depreciation	69,240	-	-	-	-	-	-	-	69,240
Revaluation Adjustment	(40,783,674)	(193,470,327)	(56,655,259)	(5,855,108)	(141,949)	(3,938,013)	(1,105,221)	(7,348,962)	(309,298,513)
Transfer	-	-	158,930	-	-	(158,930)	-	-	-
Disposal	-	-	-	(1,556,127)	(1,863,320)	-	-	-	(3,419,447)
<b>At 31 December 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 01 January 2015	-	-	-	-	-	-	-	-	-
Disposal	(1,246,567)	-	-	-	-	-	-	-	(1,246,567)
Charge for the year	11,689,806	14,574,947	4,070,630	277,230	337,321	78,846	131,826	235,596	31,396,201
<b>At 31 December 2015</b>	<b>10,443,239</b>	<b>14,574,947</b>	<b>4,070,630</b>	<b>277,230</b>	<b>337,321</b>	<b>78,846</b>	<b>131,826</b>	<b>235,596</b>	<b>30,149,634</b>
<b>NET BOOK VALUE</b>									
<b>At 31 December 2015</b>	<b>121,624,552</b>	<b>102,213,279</b>	<b>18,629,870</b>	<b>3,365,070</b>	<b>2,132,679</b>	<b>388,471</b>	<b>742,244</b>	<b>609,129</b>	<b>249,705,294</b>
<b>At 31 December 2014</b>	<b>133,957,000</b>	<b>111,715,000</b>	<b>22,700,500</b>	<b>870,000</b>	<b>1,600,000</b>	<b>304,800</b>	<b>703,699</b>	<b>562,400</b>	<b>272,413,399</b>

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



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

#### 4. PROPERTY, PLANT AND EQUIPMENT

The Board's Property, Plant and Equipment were revalued in December 2015 by Mega Design Consulting Engineers Project Managers.

Had the Board's Property, Plant and Equipment been valued at Historic amount, the carrying value would have been as follows:

<b>At 31 December 2014</b>	<b>Cost MUR</b>	<b>Accumulated Depreciation MUR</b>	<b>Net Book Value MUR</b>
Building & Infrastructure	107,730,679	40,783,674	66,947,005
Stores Equipment & Palletisation	205,356,903	193,470,327	11,886,576
Plant & Machinery	72,322,223	56,496,330	15,825,893
Motor Vehicle	7,411,235	7,411,235	-
Motor Car	1,988,952	995,301	993,651
Office Equipment	5,477,071	4,096,942	1,380,129
Furniture & Fittings	1,741,312	1,105,221	636,091
Computer Equipment	7,905,148	7,348,962	556,186
	<b>409,933,523</b>	<b>311,707,992</b>	<b>98,225,531</b>

<b>At 31 December 2015</b>	<b>Cost MUR</b>	<b>Accumulated Depreciation MUR</b>	<b>Net Book Value MUR</b>
Building & Infrastructure	107,730,679	43,219,192	64,511,487
Stores Equipment & Palletisation	210,430,128	196,537,612	13,892,517
Plant & Machinery	72,322,223	60,325,004	11,997,219
Motor Vehicle	10,183,535	7,688,465	2,495,070
Motor Car	2,858,952	1,104,051	1,754,901
Office Equipment	5,639,587	4,384,094	1,255,494
Furniture & Fittings	1,911,683	1,248,662	663,021
Computer Equipment	8,187,474	7,675,868	511,606
	<b>419,264,261</b>	<b>322,182,947</b>	<b>97,081,314</b>

#### 4. LAND

AMB own a plot of land at Petit Sable to the extent of 30.5 perches purchased in 1970. In 2015 the said land has been revalued to by Mega Design Consulting Engineers Project Managers for Rs 5M and recognised in the Financial Statements 2015.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	RESTATED 2014
		Rs.	Rs.
<b>5. INTANGIBLE ASSETS</b>			
<b>Computer Software:</b>			
<b>Cost</b>			
Balance at 01 January		5,999,219	5,999,219
Acquisitions		11,500	-
Revaluation		203,197	
Balance at 31 December		6,213,916	5,999,219
<b>Amortisation and impairment losses</b>			
Balance at 01 January		5,940,216	5,340,486
Charge for the year		14,500	599,730
Balance at 31 December		5,954,716	5,940,216
<b>Carrying amounts:</b>			
<b>At 31 December</b>		<b>259,200</b>	<b>59,003</b>
The estimated useful life of computer software is five years.			
<b>6. LOANS RECEIVABLE</b>			
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)		839,260	1,145,320
Staff personal Loans-Note 6 ( b)		357,880	450,222
		<b>1,197,139</b>	<b>1,595,542</b>
<b>6. (a) Staff Car Loans</b>			
<b>Current assets:</b>			
Amount receivable within one year		275,682	306,060
<b>Non-Current assets:</b>			
Amount receivable after one year		563,578	839,260
		<b>839,260</b>	<b>1,145,320</b>
<b>6. (b) Staff personal Loans</b>			
<b>Current assets:</b>			
Amount receivable within one year		206,384	170,365
<b>Non-Current assets:</b>			
Amount receivable after one year		151,496	279,858
		<b>357,880</b>	<b>450,222</b>
<b>7. INVENTORIES</b>			
Agricultural products		82,569,551	109,002,586
Stationery understated		573,905	452,507
Spare parts		10,331,880	10,960,615
		<b>93,475,336</b>	<b>120,415,708</b>
Note: All stocks are at cost All costs of inventories have been expensed during the year.			
<b>8. SINKING FUND</b>			
Balance at 01 January		16,048,398	15,068,881
Interest receivable		777,004	772,132
Contribution to Sinking Fund		3,895,077	207,385
Adjustment		18,058	-
Transfer of Sinking Fund Balance		(20,738,537)	-
Balance at 31 December		-	16,048,398
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 has been fully paid in 2015 .			

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**9. TRADE AND OTHER RECEIVABLES**

Trade Receivables
Other Receivables
Prepayments
Food Security Fund

2015	2014
Rs.	Rs.
17,437,236	13,155,478
988,009	-
33,679,170	32,651,627
12,895,531	11,928,771
<b>64,999,946</b>	<b>57,735,876</b>

Trade receivables are shown in the Financial Statements at expected realisable value less estimates for doubtful debts amounting to some **Rs 23M** at year end.

The ageing analysis of the Trade Receivables is as follows:

<b>After ten years</b>
<b>After five years before ten years</b>
<b>After one year before five years</b>
<b>Current year</b>

Rs.	Rs.
4,388,872	3,875,744
16,022,212	5,136,936
12,767,490	3,776,104
7,274,467	5,110,218

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, a provision of **Rs 19.2 M** on 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 included in the Financial Statements 2015.

**10. MEDICAL ASSISTANCE FUND**

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

Medical assistance fixed deposit account
Medical assistance savings account

5,474,556	3,995,999
-	1,360,068
<b>5,474,556</b>	<b>5,356,066</b>

**11. FIXED DEPOSIT INVESTMENT**

Short Term Fixed Deposit
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100,000,000	100,000,000
<b>100,000,000</b>	<b>100,000,000</b>

**12. CASH AND CASH EQUIVALENTS**

Cash in hand
Cash at bank
Bank overdraft

72,332	307,910
169,083,098	85,770,951
-	(5,286,822)
<b>169,155,430</b>	<b>80,792,039</b>

**13. RETAINED EARNINGS**

Balance as at 01 January	287,953,564	236,658,110
Amount written back 2013	147,918	-
Being VRS 2005 paid in 2014 and treated as staff cost now transferred to provision for VRS account in opening figure 2015	212,445	-
Being adj for provision for VRS 2005 not accounted for in FS 2014 and corrected in opening figure 2015	(508,394)	-
Being correction of overprovision as per NAO recommendation of VRS 2013 which included officers who did not opt for same	976,611	-
Impairment of Fixed Assets	1,614,667	(1,614,667)
Being sum related to bonus paid for period January to Sept 2014 wrongly included in Prov for Vrs now corrected as per NAO recommendation	(306,180)	-
Retained surplus for the year	61,406,883	52,910,121
Being Grant for Building Cluny not adjusted for impairment since 2007	2,576,240	-
Being Grant for Building Cluny not adjusted for underprovision of depreciation in year 2014	50,329	-
Being grant amortised since 2007 over provided Rs 434000 instead of 382475 for building Cluny	(412,200)	-
Balance as at 31 December	<b>353,711,885</b>	<b>287,953,564</b>

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	RESTATED 2014
		Rs	Rs
<b>14. (a) REVALUATION RESERVES</b>			
<b>At 01 January</b>		<b>106,656,919</b>	3,033,187
Remeasurement of the defined benefit scheme			(72,880,651)
Adjustment to Opening Balance		<b>72,880,651</b>	
Adjustment to Opening Balance			176,504,383
Revaluation surplus			-
<b>At 31 December</b>		<b>179,537,570</b>	106,656,919
<b>14. (b) OTHER RESERVES</b>			
<b>At 01 January</b>		-	-
Adjustment to Opening Balance		(72,880,651)	
Remeasurement of the defined benefit scheme		(21,307,528)	-
<b>At 31 December</b>		<b>(94,188,179)</b>	-
<b>15. EMPLOYEE BENEFITS OBLIGATIONS</b>			
		2015	2014
		Rs	Rs
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 (l) on Employee leave entitlements above.			
<b>(a) The sick leave is payable as follows:</b>			
<b>Current liabilities</b>			
Payable within one year		1,427,012	1,203,271
<b>Non-current liabilities</b>			
Payable after one year		11,769,590	11,064,620
		<b>13,196,602</b>	12,267,891
<b>(b) The passage benefit is payable as follows:</b>			
<b>Current liabilities</b>			
Payable within one year		1,580,521	1,500,000
<b>Non-current liabilities</b>			
Payable after one year		1,613,915	1,733,604
		<b>3,194,435</b>	3,233,604
An amount of some <b>Rs1.6M</b> has been paid as passage benefit for year 2015			
<b>(c) The vacation leave is payable as follows:</b>			
<b>Current liabilities</b>			
Payable within one year		-	1,869,541
<b>Non-current liabilities</b>			
Payable after one year		13,183,933	10,404,628
		<b>13,183,933</b>	12,274,169
<b>16. RETIREMENT BENEFIT OBLIGATIONS</b>			
The Board operates a defined benefit scheme for existing employees which is managed by SICOM Ltd and also as from 2015 all new recruits are governed under the defined contribution scheme. 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 <b>31 December 2014</b> 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.			
		2015	2014
		Rs	Rs
Amount charged to the surplus or deficit		(3,957,979)	(393,493)
Amount charged to other comprehensive income		(21,307,528)	(38,504,561)

	2015	2014
	Rs.	Rs.
<b>16 RETIREMENT BENEFIT OBLIGATIONS (Continued)</b>		
<b>Amounts recognised in the statement of financial position at end of year:</b>		
Defined benefit obligation	239,603,665	215,526,364
Fair value of plan assets	(91,964,486)	(93,152,692)
Liability recognised in the statement of financial position	147,639,179	122,373,672
<b>Amounts recognised in profit or loss:</b>		
Service cost:		
Current service cost	4,486,314	3,882,771
Employee Contributions	(2,047,795)	(2,133,219)
Fund expenses	143,220	161,921
Net Interest expense /( income)	9,271,636	7,079,557
Profit and Loss Charge	11,853,375	8,991,030
<b>Remeasurement</b>		
Liability (gain) / loss	15,722,762	37,218,835
Assets (gain) / loss	5,584,766	1,285,726
Total Other Comprehensive Income (OCI) recognised	21,307,528	38,504,561
	33,160,903	47,495,591
<b>Movement in liability recognised in statement of financial position:</b>		
At start of year	122,373,672	83,475,618
Amount recognised in Profit and Loss	11,853,375	8,991,030
Actuarial reserves transferred in	-	(357,983)
Contributions and direct benefits paid by employer	(7,895,396)	(8,239,554)
Amount recognised in OCI	21,307,528	38,504,561
<b>At end of year</b>	<b>147,639,179</b>	<b>122,373,672</b>
<b>Actual return on plan assets:</b>	<b>1,307,587</b>	<b>5,387,532</b>

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.

## 16 RETIREMENT BENEFIT OBLIGATIONS (Continued)

### *Reconciliation of the present value of defined benefit obligation*

	2015	2014
Present value of obligation at start of period	215,526,364	180,584,545
Current service costs	4,486,314	3,882,771
Interest costs	16,164,477	14,446,763
Benefits paid	(12,296,252)	(20,606,550)
Liability (gain) / loss	15,722,762	37,218,835
Present value of obligations at end of period	239,603,665	215,526,364

### *Reconciliation of fair value of plan assets*

Fair value of plan assets at start of period	93,152,692	97,108,927
Expected return on plan assets	6,892,841	7,367,206
Employer contributions	5,829,295	6,078,522
Employee contributions	2,047,795	2,133,219
Actuarial reserves transferred in	-	357,983
(Benefits paid and other outgo)	(10,373,371)	(18,607,439)
Asset gain/(loss)	(5,584,766)	(1,285,726)

### *Fair value of plan assets at end of period*

91,964,486	93,152,692
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### *Distribution of plan assets at end of period*

#### *Percentage of assets at end of year*

	Dec-15	Dec-14
Fixed securities and cash	58.1%	57.10%
Loans	4.3%	4.10%
Local equities	15.9%	21.10%
Overseas bonds and equities	21.0%	17.00%
Property	0.7%	0.70%

#### **Total**

100%	100%
------	------

### *Additional disclosure on assets issued or used by the reporting entity*

#### *Percentage of assets at end of year*

	2015	2014
	%	%
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%



# **16. RETIREMENT BENEFIT OBLIGATIONS (Continued)**

## **Components of the amount recognised on OCI**

Asset experience gain / (loss) during the period

Liability experience gain / (loss) during the period

Year 2016 : Expected employer contributions

Weighted average duration of the defined benefit obligation

(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:

Discount rate

Future salary increases

Future pension increases

Mortality before retirement

Mortality in retirement

Retirement age

2015	2014
Rs.	Rs.
(5,584,766)	(1,285,726)
(15,722,762)	(37,218,835)
(21,307,528)	(38,504,561)
Rs 6.2M	Rs 6M
14 years	13 years

2015	2014
7.5%	8%
5.00%	5.50%
3.00%	3.50%
A 6770 Ultimate Tables	
PA (90) Tables rated down by 2 years	PA (90) Tables years
As per second Schedule 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 27M (increase by Rs 32.9M) 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 12.3M (decrease by Rs 10.9M) if all assumptions were held unchanged.

- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 5.8 M (decrease by Rs 5.8M) 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

### **Non-current liabilities**

Payable after one year

2015	2014
Rs	Rs
2,374,889	2,377,000
8,157,970	10,905,232
10,532,859	13,282,232
2015	2014
Rs.	Rs.
16,519,025	17,285,280
2,286,980	-
(2,267,151)	(766,255)
16,538,854	16,519,025
2015	2014
Rs.	Rs.
14,271,703	15,752,770
2,267,151	766,255
16,538,854	16,519,025

# **17. DEFERRED INCOME**

Opening balance - 01 January

Prior year Adjustment

Transfer to Income Statement

Closing balance - 31 December

## **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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

## 18 LONG TERM BORROWINGS

	2015		2014	
	€	Rs	€	Rs
Buildings - Note (a )				20,738,538
Onion & seed Stores - Note (b)			492,799	19,211,273
			<b>492,799</b>	<b>39,949,811</b>
<b>Loan payable within 1 year</b>			44,800	1,746,479
Loan payable within 2-5 years			179,200	6,985,914
Loan payable within 6-10 years			223,999	8,732,393
Loan payable more than 10 years			44,800	22,485,026
<b>Long Terms Loans</b>			<b>447,999</b>	<b>38,203,333</b>
<b>Rate EURO/Rs.</b>			<b>38.984</b>	

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.

These loans have been fully settled in 2015.

## 19 TRADE AND OTHER PAYABLES

	2015	2014
	Rs.	RESTATED Rs.
Trade payables	<b>18,321,613</b>	12,652,486
Other payables	<b>4,393,178</b>	798,786
Accruals	<b>1,705,150</b>	4,926,298
Provision for sick leaves	<b>1,427,012</b>	1,203,271
Provision for passage benefits	<b>1,580,521</b>	1,500,000
Provision for vacation leaves	-	1,869,541
Provision for VRS	<b>2,374,889</b>	2,377,000
Deposits on rental of AMB cold rooms	<b>2,704,035</b>	2,384,318
Payment on account	<b>425,700</b>	2,560,268
Food Security Fund	<b>12,895,531</b>	11,928,771
	<b>45,827,630</b>	42,200,738

## 20 SHORT TERM BORROWINGS

Proportion of long term borrowings repayable within one year	-	1,746,479
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## 21. TURNOVER

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

	2015		2014	
PRODUCE	Quantity	Amount	Quantity	Amount
	TONS	RS	TONS	RS
Imported Potatoes	5786	142,887,388	2347	57,035,726
Local Potatoes	1591	40,668,996	3579	85,108,975
Imported Onions	7142	196,501,553	5343	126,113,543
Local Onions	1025	28,346,785	876	22,956,028
Rodrigues Onions	116	3,144,117	49	1,170,512
Imported Seed Potatoes	744	31,420,689	701	30,196,998
Local Seed Potatoes	678	28,363,397	665	29,063,782
Imported Garlic	1640	180,719,564	1591	175,034,037
Local Garlic	24	1,498,352	34	2,055,834
Imported Bean Seeds	5	1,030,900	4	766,400
Imported Onion Seeds	0.4	2,921,200	0.7	3,499,000
Local Onion Seeds	0.2	799,576	0.2	750,875
Imported Cardamom	1.75	803,071	2	1,005,455
Imported Carrots	26.7	959,363	0	-
Imported Turmeric Powder	5	654,000	20	1,731,288
Others	-	3,410,491		2,678,794
<b>TOTAL TURNOVER</b>		<b>664,129,442</b>		<b>539,167,247</b>

## 22. COST OF PRODUCTION

### Cost of sales:

	2015	2014
	Rs	Rs
Opening stock	109,002,585	122,575,501
Purchases	488,460,586	401,194,465
Closing stock	(82,569,551)	(109,002,585)
	<b>514,893,620</b>	<b>414,767,381</b>

### Operating expenses (storage cost):

	2015	2014
	Rs	Rs
Staff Costs	45,158,082	42,901,800
Electricity and water	35,152,611	33,344,331
Insurance	1,868,778	1,514,015
Repairs and maintenance	5,420,829	5,396,437
Security services	2,094,282	1,811,441
General expenses - store	531,108	1,020,641
Waste Disposal	68,700	207,500
Compensation to dealers	640,423	2,094,595
Motor vehicle running expenses	364,689	509,732
Depreciation	25,128,562	8,254,134
Impairment of Assets	1,614,667	
	<b>632,936,350</b>	<b>511,822,006</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

23 SEGMENT REPORTING

	POTATOES		ONIONS		GARLIC		SEED POTATO		ONION SEED		LOCAL GARLIC SEEDS	IMPORTED TURMERIC	IMPORTED BEAN SEEDS	IMPORTED CARDAMOM	OTHERS	TOTAL
	LOCAL	IMPORTED	LOCAL	IMPORT-ED	RODRIGUES	LOCAL	IMPORTED	LOCAL	IMPORTED	LOCAL	IMPORTED					
	R S M															
REVENUE	48.34	168.65	32.36	227.11	3.51	0.35	186.02	32.79	33.62	0.80	2.92	1.27	0.67	1.06	0.81	744.74
COST OF OPERATIONS	(49.89)	(155.63)	(34.10)	(212.46)	(5.03)	(0.59)	(96.34)	(31.02)	(31.83)	(0.92)	(2.84)	(4.57)	(0.97)	(0.92)	(0.60)	(632.56)
OPERATING SURPLUS/ (DEFICIT)	(1.55)	13.02	(1.74)	14.65	(1.52)	(0.24)	89.68	1.77	1.79	(0.12)	0.08	(3.30)	(0.30)	0.14	0.21	112.18
OTHER EXPENSES	(6.09)	(13.85)	(3.18)	(17.68)	(0.29)	(0.03)	(4.21)	(3.52)	(1.75)	(0.000)	(0.00)	(0.06)	(0.01)	(0.02)	(0.00)	(50.76)
NET SURPLUS/ (DEFICIT)	(7.64)	(0.83)	(4.92)	(3.03)	(1.81)	(0.27)	85.47	(1.75)	0.04	(0.12)	0.08	(3.36)	(0.31)	0.12	0.21	61.41

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 61.44M for year ended December 2015 is made up as shown above. Deficits on these products are cross subsidized from surpluses on sales of other products.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**24. OTHER OPERATING INCOME**

	2015	RESTATED 2014
	Rs	Rs
Strategic Buffer Fee	16,632,000	18,416,200
Administrative fee	7,490	80,498
Commission on By-Catch Fish	822,308	500,497
Rental Income	26,075,852	26,222,367
Interest on credit sales	579,107	391,764
Gain on uncertified seeds	6,413	1,787,204
Compensation from suppliers	20,837,619	0
Gain on FOREX	4,524,278	2,998,426.27
	<b>69,485,066</b>	<b>50,396,955</b>

(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.

**25. ADMINISTRATIVE EXPENSES**

	2015	2014
	Rs	Rs
Staff Costs	19,353,464	20,935,490
Overseas travelling	32,980	21,744
Motor vehicle running expenses	156,295	218,457
Postage, printing and stationery	631,283	623,938
Advertising	350,327	337,580
Telephone	400,184	438,376
Legal and professional fees	1,123,980	678,141
Training expenses	61,000	136,400
Audit fees	275,000	275,000
Consultancy fees	-	14,375
General expenses	1,124,777	697,024
Repairs and maintenance- IT	586,280	445,162
Board members fees	777,806	678,819
Bad Debts	19,200,000	4,300,000
Donation	8,753	-
Rent of leasehold land	22,500	22,500
Depreciation	6,282,140	2,063,534
	<b>50,386,769</b>	<b>31,886,539</b>

Note: In 2015 the Board approved a donation of Rs 8,753 to the Ministry of Agriculture in connection with KERMESS 2015

**26. INVESTMENT AND OTHER INCOME**

Interest on bank balances and bank deposits	4,758,562	3,360,835
Interest on Sinking Fund	777,004	772,132
Interest on staff Loan	83,249	101,790
Insurance Claims	20,167	27,121
Ex-Tobacco Board	2,650,942	2,067,891
Gain on sale of Fixed Asset	(269,600)	356,918
Deferred income	2,267,151	766,255
Other Income	836,637	641,608
	<b>11,124,112</b>	<b>8,094,550</b>

Other Income comprises of an amount of Rs 2,650,942 received from MOA in favour of Ex-Tobacco Board employees and MSIRI employee redeployed at the AMB, catering for payment of salaries, allowances and other contributions for 2015.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

**27 FINANCE COSTS**

	<b>Rs</b>	<b>Rs</b>
Interest on long term loans from Government of Mauritius and EDF	<b>8,568</b>	1,038,823
Interest on bank overdraft and import loans	<b>50</b>	1,264
	<b>8,617</b>	1,040,087

**28 PRIOR YEAR ADJUSTMENT UNDER IAS 8**

	<b>2015</b>	<b>2014</b>
	<b>Rs</b>	<b>Rs</b>
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
	-	452,507







**AGRICULTURAL  
MARKETING BOARD**

