



ANNUAL REPORT

AGRICULTURAL MARKETING BOARD



1 JULY 2018 - 30 JUNE 2019

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CHAIRMAN'S STATEMENT

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 am privileged once again to submit our Annual Report for the period July 2018 to June 2019.

As stated in the review submitted by the Assistant General Manager, I am proud to confirm that the period 2018-2019 has been the most successful in the history of the AMB since its creation in 1963. Most of the projects are well on track and I can assure you that you will not be deceived with your decision of entrusting the management of the National Wholesale Market, which will soon come into operation, to the AMB.

The Board together with the Management and all employees are leaving no stone unturned to enable the AMB to contribute significantly in the country's endeavour to achieve food security. This Annual Report 2018-2019 clearly reviews the different activities undertaken by the AMB during that period and once again confirms that its financial status is sound.

Thank you, dear Minister for your unflinching support.

Yours faithfully



Dr. K Payandi Pillay,
Chairman

Date: 25/06/2020

ASSISTANT GENERAL MANAGER'S REVIEW

I am pleased to present the Annual Report of the Agricultural Marketing Board (AMB) for the period 1 July 2018 to 30 June 2019.

Financial Performance

The year under review has been by far the most successful year in AMB's history, since its creation in 1963. This is testified by the net profit registered of MUR 207 M. In parallel, the Board was able to live up to its mission of maximizing customers' satisfaction by providing high quality products and services reliably and cost effectively.

Imports and retailing activities

With a view to ensuring a constant supply of onions, potatoes, garlic and vegetables (carrots and beans) on the local market at affordable prices during period when there is no local production, the AMB has imported 8,848 tonnes onions, 4,468.275 tonnes potatoes, 1,998 tonnes garlic and 154.644 tonnes vegetables (carrots and beans).

Besides its wholesaling activities, the AMB is continuing with its retailing activities through its presence in market fairs and outlets.

Over and above these conventional roles, the AMB implemented and managed the Freight Rebate Scheme and Seed Purchase Schemes for and on behalf of the Ministry of Agro Industry and Food Security.

Our People

The AMB is investing in its human resource development in order to deliver a high-quality service up to the expectations of all its stakeholders.

A total of 634 hours of training were dispensed in diverse fields, for instance, on Fire Safety, Safe Use of Equipment, Tender Preparation and Evaluation, Food handling, Food Loss and Waste Reduction, Photovoltaic Energy Systems, Customer Due Diligence with regards to risk, Strategic HR Capabilities in Parastatals, IPSAS Refresher Course and Principles of the Code of Corporate Governance, Risk Management and Compliance. The AMB will continue in its endeavour.

During the period under review, the AMB has embarked on several noteworthy projects inter-alia:

a) **National Wholesale Market (NWM)**

This is a new project which has been entrusted to the AMB in view of its vast experience in this field. An Ad-Hoc Committee has been set up under the AMB to look into all issues pertaining to the operating and managing of the NWM which is presently under construction at Five Ways, Wooton.

b) Solar Farm at AMB

A new tender exercise for the setting up of a solar farm of capacity 500KW at AMB is in progress and the project is expected to materialise in the coming year.

c) Renovation of the Cluny Store

With a view of providing additional storage capacity, the AMB will soon be embarking in the renovation of the Cluny Store. This will provide an additional storage capacity of approximately 1,800 tonnes for the storage of excess local production of table potatoes.

d) Mechanical Garlic Clove Separator

To encourage the production of local garlic, the AMB has acquired a Mechanical Garlic Clove Separator. Same has been put at the disposal of local growers to split Garlic Seeds in optimum conditions and to reduce the labour costs.

Social Undertakings

In our attempt to support and empower children of farmers and children in the vicinity of Moka/St Pierre regions, the AMB sponsored the second and third editions of the Educational Achiever Award Scheme. We have also donated a heavy-duty photocopy machine to the Petit Verger Government School.

Final Note

I thank the Chairman and members of the AMB Board, the Ministry of Agro Industry and Food Security, our stakeholders and our employees for their continuous and valued support over the past years. Indeed, this achievement would not have been possible without their support. We are fully confident that the coming year will be even more successful.



Beny RAMCHARAN
Assistant General Manager

CORPORATE GOVERNANCE REPORT

The Agricultural Marketing Board is a parastatal body operating under the aegis of the Ministry of Agro-Industry and Food Security. It is governed by the Mauritius Agricultural Marketing Act (1963).

The Agricultural Marketing Board is required to comply with the National Code of Corporate Governance for Mauritius, 2016 (the 'Code') by virtue of the provisions of the Financial Reporting Act 2004.

This Corporate Governance Report highlights how the AMB has implemented the recommendations of the Code.

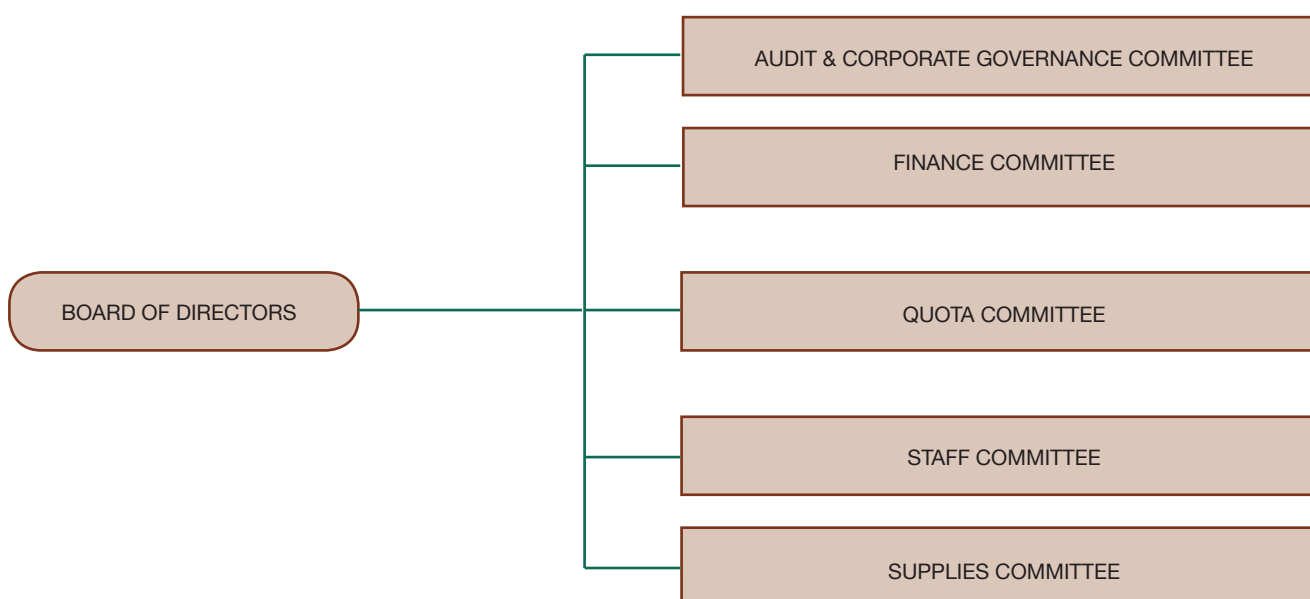
Principle ONE – GOVERNANCE STRUCTURE

The Agricultural Marketing Board is managed by a Board which is collectively responsible for its governance, long-term success and reputation. The roles and responsibilities of the Board are set out in the Mauritius Agricultural Marketing Act.

The Board assumes its fiduciary responsibilities whilst complying with all legal and regulatory requirements. In this respect, the Board adheres to the following key governance documents -

- Board Powers as per the Act;
- Board Committees Terms of Reference;
- Code of Ethics for Directors; and
- Code of Ethics for Employees.

Board Structure



CORPORATE GOVERNANCE REPORT (CONT'D)

Functions of the Board

- a) Gives strategic direction;
- b) Formulates policies and plans;
- c) Makes decisions;
- d) Gives guidance.

Key Governance Responsibilities and Accountabilities

The Board ensures that proper standards of Corporate Governance are applied and maintained throughout the organization. The following key governance positions are critical in enabling the Board to fulfill its vision, mission and objectives:

1. Chairman of the Board

The Chairman is non-executive and is appointed by the Minister of Agro-Industry and Food Security as per Section 4(2) of the Mauritius Agricultural Marketing Act (1963):

- a) is primarily responsible for the activities of the Board and its Committees;
- b) acts as the spokesman of the Board and is the principal contact of the General Manager; and
- c) encourages and ensures active participation of members in discussions.

2. General Manager

The General Manager is the head of the Agricultural Marketing Board and has the authority and responsibility to manage the overall operations and resources of the organization. He acts as the main point of contact between the Board and the Management. The responsibilities of the General Manager also include: to develop and recommend to the Board a long-term vision and strategy for the organization and the annual business plans and budgets that support the organization's strategy; to execute and implement the strategy of the Board; to monitor the organization's performance and keep the Board regularly and appropriately informed; to foster a corporate culture that promotes ethical practices, rejects corrupt practices, offers equal opportunities, encourages individual integrity, and meets social responsibility objectives and imperatives.

3. Secretary

The main responsibilities of the Secretary include amongst others, facilitating meetings of the Board and its sub committees, preparing and circulating agendas and committee papers; taking minutes; ensuring that the organization complies with its Act and all relevant statutory and regulatory requirements and any procedures set by the Board.

CORPORATE GOVERNANCE REPORT (CONT'D)

4. Management Team

Assistant General Manager	Mr. B. Ramcharan	MBA (<i>Logistics and Supply Chain Management</i>) BSc (Hons) Economics
Technical Manager	Mr. A. S. Jeehoo	MSc (Project Management) BEng (Hons) Mechanical Engineering Certificate in Sugarcane Technology
Administrative Secretary	Mrs. A. D. Mungroosing	MBA (<i>Finance</i>) ICSA
Head Operations Officer	Mr. B. H. Ramdin	Higher Diploma Business Administration
Seeds Officer	Mr. R. Sookun	BSc (Hons) Agriculture
Ag. Trade and Marketing Officer	Mr. L. Chundydyal	
Accountant / Senior Accountant	Mr. M. Perianen	FCCA
Human Resource Management Officer	Mr. N. A. Hasowa	BCom with specialization in Human Resource Management
IT Officer	Mrs. K. Rawa Lungtoo	BSc Information Systems
Internal Auditor	Mrs. G. Nothoo	ACCA

CORPORATE GOVERNANCE REPORT (CONT'D)

PROFESSIONAL SERVICES

a) AUDITOR



The National Audit Office

b) BANKERS



State Bank of Mauritius Ltd.

Barclays Bank Ltd.

MauBank Ltd.

Bank One Ltd.

Banque des Mascareignes

SBI (Mauritius) Ltd.

c) CONSULTANTS

Servansing Jadav & Partners
Consulting Engineers Ltd.



CORPORATE GOVERNANCE REPORT (CONT'D)

Principle TWO – THE STRUCTURE OF THE BOARD AND ITS SUB-COMMITTEES

As per the provisions of the Mauritius Agricultural Marketing Act (1963), the Board consists of Ex Officio and as well as independent members with a view to ensuring a right balance of skills, experience and diversity. The Independent members come from diverse business backgrounds. They thus provide a blend of knowledge, skills, experience and commitment to make sound judgments on various key issues relevant to the business of the Company.

The sub committees of the Board are chaired by members who have relevant knowledge and experience in these key governance roles.

Directors of the Board:

Dr K. Payandi Pillay	Chairman
Mrs. I. Rugjee	Representative of the Ministry of Agro Industry and Food Security
Mr. V. Ramkelawon	Representative of the Ministry of Finance and Economic Development
Mrs. B. F. Chamroo-Jaddoo	Representative of the Ministry of Industry, Commerce and Consumer Protection
Mr. L. M. Monvoisin	Representative of the Registrar of Co-operative Societies
Mr. S. S. A. M. Goolaub	Independent Member
Mr. H. Woodun	Independent Member
Mr. M. P. Bisesar	Independent Member
Mr L. Seegoolam	Independent Member
Mr. N. Nabeeamode	Independent Member
Mr. B. K. Seetaram	Independent Member
Mrs. J. Sauzier	Independent Member

CORPORATE GOVERNANCE REPORT (CONT'D)

BOARD MEETING AND COMMITTEE MEETINGS HELD DURING THE YEAR UNDER REVIEW

Below is a record of all Board and Sub-Committee meetings held during the financial year 2018/2019

July 2018 to June 2019	
Board Meeting	10
Special Board Meeting	10
Finance Committee	8
Quota Committee	6
Staff Committee	10
Supplies Committee	29
Audit & Corporate Governance Committee	4
Total	77

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

In view of the complexity of administrative and operational matters at the AMB, and in line with the Code, the Board has set up the following Sub-Committees with specific mandates to assist the Board in discharging its duties and responsibilities:

- Audit and Corporate Governance Committee,
- Finance Committee,
- Quota Committee,
- Staff Committee and
- Supplies Committee.

CORPORATE GOVERNANCE REPORT (CONT'D)

Audit and Corporate Governance Committee – Terms of Reference

The Audit and Corporate Governance Committee gives the Board a means to review and reinforce the internal control system and its internal audit function as per the Board's policies and practices on corporate governance.

The roles, objectives and responsibilities of the Audit and Corporate Governance Committee include:

- overseeing the integrity of the financial statements of the organization 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 organization's objectives;
- monitoring and reviewing the effectiveness of the organization'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,
- recommendations to the Board;
- monitoring the training and continuous professional development of Members and Senior Management;
- monitoring the Board's policies and practices on the compliance with legal and regulatory requirements;
- monitoring the code of conduct and compliance applicable to employees and Members;
- reviewing the Stakeholders' Communication Policy on a regular basis and to make recommendations to the Board where appropriate to enhance effective communications between the Board and its stakeholders;
- reviewing the Board's compliance with the code and disclosure in the Corporate Governance Report; and to perform other duties incidental to the duties of the Corporate Governance Committee delegated as appropriate by the Board from time to time.

CORPORATE GOVERNANCE REPORT (CONT'D)

Audit and Corporate Governance Committee – Composition Chairperson

Mr. V. Ramkelawon – Representative of the Ministry of Finance and Economic Development

Members

Mrs. F. Chamroo-Jaddoo	Representative of the Ministry of Industry, Commerce and Consumer Protection
Mr. S. S. A. M. Goolaub	Independent Member
Mr. H. Woodun	Independent Member
Mr. L. Seegolam	Independent Member

Finance Committee – Terms of Reference

The role of the Finance Committee is to consider, review and recommend to the Board:

- on all matters pertaining to the financial position of Agricultural Marketing Board;
- on all tenders and procurement contracts other than those for Controlled Products with an estimated value exceeding MUR 100,000 after ensuring that they are in accordance with the provisions of the Public Procurement Act and other relevant legislations.
In so doing, it considers Bid Evaluation Reports submitted by the Bid Evaluation Committees and the Departmental Bid Committees for the award of tenders;
- Requests from Management for additional/reallocation of funds to enable it to meet financial obligations arising from day to day management.

Finance Committee – Composition Chairperson

Mrs. I. Rugjee	Representative of the Ministry of Agro-Industry and Food Security
Mr. L. M. Monvoisin	Representative of the Registrar of Co-operative Societies
Mr. V. Ramkelawon	Representative of the Ministry of Finance and Economic Development
Mr. S. S. A. M. Goolaub	Independent Member
Mr. L. Seegoolam	Independent Member

Quota Committee – Terms of Reference

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

CORPORATE GOVERNANCE REPORT (CONT'D)

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

- 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 import requirements;
- that a strategic buffer stock is available to cater to any unforeseen climatic conditions or diseases affecting local production/supply.

The AMB will be responsible for the management of the Buffer Stock.

Quota Committee – Composition

Chairperson

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

Members

Mrs. I. Rugjee	Representative of the Ministry of Agro-Industry and Food Security
Mr. H. Woodun	Independent Member
Mr. M. Bisesar	Independent Member
Mr. B. K. Seetaram	Independent Member

Staff Committee – Terms of Reference

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

Staff Committee – Composition

Chairperson

Mrs. I. Rugjee Representative of the Ministry of Agro-Industry and Food Security

Members

Mrs. F. Chamroo/Jaddoo	Representative of the Ministry of Industry, Commerce and Consumer Protection
Mr. S. S. A. M. Goolaub	Independent Member
Mrs. J. Sauzier	Independent Member
Mr. N. Nabeeamode	Independent Member

CORPORATE GOVERNANCE REPORT (CONT'D)

The Supplies Committee decides, in consultation with Management, about the procurement of all Controlled Products that is: the volume, variety, source, timing and price of all orders to be placed with a view to ensuring that there is adequate supply of quality products on the market at all times.

In the exercise of its functions, the Supplies Committee shall, in consultation with Management, ensure that orders for table potatoes, onions and garlic, shall not, except with the approval of the Board, exceed a quantity equivalent to four (4) weeks' local consumption of the said produce. The Supplies Committee also monitors the Management of the Buffer Stock.

Supplies Committee – Composition

Chairperson

Mrs. I. Rugjee Representative of the Ministry of Agro-Industry and Food Security

Members

Mrs. F. Chamroo-Jadoo	Representative of the Ministry of Industry, Commerce and Consumer Protection
Mr. V. Ramkelawon	Representative of the Ministry of Finance and Economic Development
Mr. S. S. A. M. Goolaub	Independent Member
Mr. B. K. Seetaram	Independent Member

Other Committees

- National Potato Committee
- National Onion and Garlic Committee
- Technical Committee
- Anti-Corruption Committee

Principle THREE – APPOINTMENT OF MEMBERS

As per the Mauritius Agricultural Marketing Act, the Board consists of:

- a) A Chairman
- b) A representative of the Ministry of Agro-Industry and Food Security
- c) A representative of the Ministry of Finance and Economic Development
- d) A representative of the Ministry of Industry, Commerce and Consumer Protection
- e) The Registrar of Co-operative Societies or his representative
- f) Not more than seven nor less than five 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.

CORPORATE GOVERNANCE REPORT (CONT'D)

Principle FOUR – REMUNERATION, DUTIES AND PERFORMANCE OF MEMBERS

Members are aware of their legal duties and observe and foster high ethical standards and a strong ethical culture in the organization. Conflicts of interest are disclosed and managed. The Board is responsible for the governance of the organization's information strategy, information technology and information security. The Board and Sub-Committees are supplied with information in a timely manner and in an appropriate form and quality in order to perform to required standards.

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

The monthly fees of the Chairperson are currently linked to the salaries of the General Manager, at the rate of 30% of the monthly basic salaries subject to a maximum of MUR 29,925.

Board Members are paid a fee of MUR 890 per sitting. A member other than the Chairperson, who is called upon to chair Sub-Committees, is paid an additional fee of MUR 305 per sitting, subject to a maximum of MUR 1,220 monthly. Members of Sub-Committees of the Board are paid a fee of MUR 815 per sitting.

Board Members	Fees (MUR)
(July 2018 – June 2019)	
Dr K. Payandi Pillay	305,232
Mrs. I. Rugjee	54,736
Mrs. K. Jugroo (Alternate to Mrs I. Rugjee)	8,372
Mr. V. Ramkelawon	20,492
Mrs. B. F. Chamroo-Jaddoo	26,205
Mr. L. M. Monvoisin	11,093
Mr. S. S. A. M. Goolaub	50,745
Mr. H. Woodun	17,518
Mr. M. P. Bisesar	11,848
Mr. L. Seegoolam	16,889
Mr. N. Nabeeamode	23,251
Mr. B. K. Seetaram	16,010
Mrs. J. Sauzier	10,527
Total	572,918

LEGAL DUTIES

All members of the Board including any alternate member are made aware of their fiduciary duties at the time of their appointment.

CORPORATE GOVERNANCE REPORT (CONT'D)

CODE OF ETHICS

Both members and employees are apprised of the obligations to comply with the Board's Code of Ethics.

CODE OF CONDUCT

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

CONFLICT OF INTEREST

The Board makes every effort to ensure that members disclose any interest in writing to the Board. They should also disclose any Related Party Transactions.

RELATED PARTY TRANSACTIONS

The particulars in respect of Related Party Transactions have been disclosed in Note 2.2 (n) of the Financial Statements.

Principle FIVE – RISK GOVERNANCE AND INTERNAL CONTROL

The Board considers risk management as an integral component of good business practice with a view to support Management's decision making, improve the reliability of business performance and assist in the preparation of the Financial Statements in accordance with International Public Sector Accounting Standards (IPSAS).

The objective of risk management is not to eliminate risks altogether but to mitigate them to a minimum acceptable level in line with the objectives of the Board. The Board is responsible for the overall risk management and internal control systems. The organization's risk management process and internal control systems have been delegated to the Audit and Corporate Governance Committees for close monitoring. Risk reports are presented by the Internal Auditor to the Audit and Corporate Governance Committee on a quarterly basis for discussion and material matters are reported to the Board. The risk management framework, including policies and systems put in place to ensure a systematic and continuous identification and evaluation of risks and actions to terminate, transfer, accept or mitigate each risk to achieve a prudential balance between the risks and potential returns to stakeholders is explained in the Risk Report section of this report.

The Internal Audit Section is responsible for providing assurance to the Board regarding the implementation, operation and effectiveness of internal controls and risk management. Internal Audit reports are considered at all Audit and Corporate Governance Committees and the Head of Internal Audit has ready and regular access to the Chairperson of the said Committee. The systems in place are geared towards the implementation, maintenance and monitoring of the internal controls and the processes by which the Board derives assurance that the internal audit systems are effective.

CORPORATE GOVERNANCE REPORT (CONT'D)

Principle SIX – REPORTING WITH INTEGRITY

The Board has presented a fair, balanced and understandable assessment of the organization's financial, environmental, social and governance position, performance and outlook in its Annual Report. The Board's core values include customer care, first class products and services, teamwork, empowering our human capital for success, innovation and community support. The AMB's culture embraces customer-centricity, employee's well-being and empowerment, as well as operational excellence through innovation and work towards market success.

Financial Capital

The organization is self-financing and supports its business through its activities and funds generated. These are used to sustain income and financial returns of the organization, reinforce its financial stability and on a broader scale, contribute to the growth of Mauritian Agri-Business.

Human Capital

Human capital is an asset for the AMB as the skills, knowledge and approach of its people are vital to the success of the business. The organization is committed to recruit high level professionals with appropriate knowledge, experience and qualifications.

Intellectual Capital

The organization makes use of intellectual assets to ensure the best possible performance and operational efficiency. The organization continuously invests in technology solutions and IT tools to better manage documents, facilitate knowledge sharing, improve delivery of services to customers, and safeguard customer and corporate data.

Manufactured Capital

The organization makes use of manufactured capitals such as physical buildings and IT infrastructure to carry out its business activities. Apart from the Head Office building at Moka, the AMB also owns other assets.

Social Capital

For the organization, relationships with the various stakeholders such as customers, dealers, employees, government, and the community are of key importance. Through its activities, it builds relationships to further the business.

Health and Safety

The AMB firmly believes that the security and health of its employees are essential. As a caring employer the AMB is committed to provide and maintain a healthy, safe, and secured working environment for its employees as well as for its stakeholders in general. During the year under review, the AMB has maintained its effort to create an ideal environment for health, safety and welfare of its employees. In line with the requirements of the Occupational Safety and Health Act 2005, Safety and Health Committees were conducted at regular intervals to look into all aspects of health and safety pertaining the AMB.

CORPORATE GOVERNANCE REPORT (CONT'D)

Political and Charitable Donations

The AMB is a self-financed institution. However, on humanitarian ground, a donation of MUR 50,000/- was effected to one of its employees for medical treatment abroad.

Corporate and Social Responsibility

The AMB recognizes the need to be socially involved and supportive of the wider needs of the community and more specifically those of less fortunate citizens. During the review period AMB has provided: Potatoes, Onions, Garlic, Cardamom, Ginger and Turmeric powder at wholesale prices to a number of charitable organizations.

Transparency, Accountability and Integrity

To ensure maximum transparency within the organization, clear sets of internal procedures have been devised to eliminate the risks of fraud, errors and corruption. Well established and comprehensive procedures have been formulated by the Anti-Corruption Committee. All internal and external circulars are posted on the intranet to ensure that all employees of the Board are duly aware and updated.

Principle SEVEN – AUDIT

Organizations normally should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the Management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organization's internal and external auditors.

Internal Audit

The AMB has an Internal Audit function which has the overall responsibility of providing independent and objective assurance designed to add value and improve the organization's operations. The scope of work of the Internal Audit is to enable the organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management, control, information systems and governance processes.

The Internal Audit function is responsible for providing assurance to the Board regarding the implementation, operation and effectiveness of internal control and risk management. It is not responsible for the implementation of controls.

The Internal Auditor reports administratively to the General Manager and functionally to the Audit and Corporate Governance Committee. This reporting structure allows the Internal Auditor to remain independent and report all items of significance to the Audit and Corporate Governance Committee. The scope of work of the Internal Audit function encompasses:

- a. assessing financial and operating information and the means used to initiate, authorize, record, process and report such information to validate the reliability and integrity of the process;
- b. ascertaining the extent of compliance with good internal accounting controls, established policies and procedures, laws and regulations;

CORPORATE GOVERNANCE REPORT (CONT'D)

- c. reviewing the means to safeguard assets as well as the adequacy and effectiveness of applicable policies and practices;
- d. appraising the economy and efficiency with which processes are executed and resources are employed;
- e. reviewing operations and programs to ascertain whether results are consistent with established objectives; and
- f. participating in special assignments as directed by Audit and Corporate Governance Committee.

The Internal Audit plan, which is approved by the Audit and Corporate Governance Committee, is based on the principles of risk management to ensure that the scope of work is aligned with the degree of risks attributable to the areas audited.

External Audit

The Auditor of the AMB is the National Audit Office and they rotate their auditors every 3 years. The Audit and Corporate Governance Committee reviews the appropriateness of accounting standards and makes appropriate estimates and judgment taking into account the views of external auditors. The Committee also examines and reviews the quality and integrity of the financial statements, including the Annual Report. A provision of Rs 275,000/- for the year 2018/19 has been made for Auditor's remuneration.

Principle EIGHT – RELATIONS WITH STAKEHOLDERS

Employees

The Board maintains constant dialogue with its employees. Employees are syndicated. Management keeps an open communication channel with their Unions. Employees are also members of a Sports and Welfare Committee. Training needs of employees are regularly assessed and addressed.

Customers

The AMB places its customers at the centre of its activities and maximizes consumer satisfaction by providing high quality and innovative products and services reliably and cost effectively. It operates in different locations through its retail outlets and fairs for the customers. The AMB ensures that its staff members and intermediaries possess the necessary skills, experience and knowledge to better serve its customers with transparent advice and timely service delivery while abiding with all relevant legislation, rules, codes and guidelines.

Suppliers

The Company engages with suppliers of produce based on ethical commitments ensuring that value for money goods and services are rendered to the AMB in an efficient way.

Dealers

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. Apart from its own channel, the distribution of its products is effected through dealers. The Board ensures that at all times the dealers distribute its products diligently to customers.

CORPORATE GOVERNANCE REPORT (CONT'D)

Financial Partners

Communication with financial institutions and the financial community in general is actively pursued and usually takes place through meetings and presentations. The Annual Report is posted on the AMB's website.

BOARD MEMBERS' PROFILE

DR. KESSAWA PILLAY PAYANDIPILLAY
(Chairman)

Holder of a PhD, MSc, BSc, Dr. Kessawa Pillay Payandipillay has a wide experience in the field of Sugarcane Agronomy, Agricultural Extension and Rural Resources Management as well as Small Farmers' Production Systems. He was Research Manager, Field Experimentation at the MSIRI-MCIA till November 2018.

MRS. INDIRA RUGJEE
(Ex- Officio Member)

Mrs. I. Rugjee holds an MBA from the University of Birmingham, UK. She has wide experience in the public sector and is at present the Deputy Permanent Secretary at the Ministry of Agro Industry and Food Security.

MR. VIKRAJ RAMKELAWON
(Ex- Officio Member)

Mr. V. Ramkelawon holds a Master's degree from the University of Mauritius in Electronic Business and is also a member of the Association of Chartered and Certified Accountants (ACCA). He has a wide experience in the Finance Sector and he is currently the Lead Analyst at the Ministry of Finance and Economic Development.

MR. LOUIS MARIO MONVOISIN
(Ex- Officio Member)

Mr. M. Monvoisin holds a Diploma in Cooperative Studies, BSc Computing and Information Systems, and Post Graduate Diploma in Human Resource Management. He has wide experience in the co-operative sector and is currently Registrar of Cooperative Societies.

MRS. BIBI FAWWAAZA CHAMROO-JADDOO
(Ex- Officio Member)

Mrs. B. F. Chamroo-Jaddoo holds a BSc Honours in Public Administration and Management. She has wide experience in the public sector and is currently Assistant Permanent Secretary at the Ministry of Industry, Commerce and Consumer Protection.

CORPORATE GOVERNANCE REPORT (CONT'D)

MRS. JACQUELINE SAUZIER
(Independent Member)

Mrs. J. Sauzier has wide experience in the agricultural sector and is currently Secretary of the Mauritius Chamber of Agriculture.

MR. HEMRAJ WOODUN
(Independent Member)

Mr. H. Woodun is a Sole Trader and Company Director and has wide experience in the agricultural sector. He is currently the Chairperson of FAREI.

MR. S. S. AKHILALANDJEE M. GOOLAUB
(Independent Member)

Holder of an MSc Crop Science and Plant Biotechnology, BSc Agriculture, and Diploma in Agriculture/Sugar Technology, Mr. S. A. Goolaub is at present Acting Assistant Director of FAREI.

MR. MOHUNPARSAD BISESAR
(Independent Member)

Mr. M. Bisesar is a member of Petit Sable Red Onions Co-operative and has wide experience in the plantation of onions, garlic and other vegetables.

MR. NAGUIB NABEEAMODE
(Independent Member)

Mr. N. Nabeeamode is a member of Southern Planters' Association. He has wide experience in the plantation of potatoes and other vegetables.

MR. LEKRAJ SEEGOOLAM
(Independent Member)

Mr. L. Seegoolam has wide experience in the plantation of tea and is currently employed at the Mauritius Tuna Fishing Ltd.

MR. BASOODEO KUMAR SEETARAM
(Independent Member)

Mr. B. Seetaram is a Company Director in various Private Companies. He is well versed with the operation of the Board having worked previously for 25 years in the organization.

CORPORATE GOVERNANCE REPORT (CONT'D)

The Board's responsibility for the financial statements

The Board ensures that the financial statements are well prepared, fairly represented, free from material misstatements, whether due to fraud or error, in accordance with International Public Sector Accounting Standards and in compliance with the requirements of prevailing statutes and any such internal controls as deemed necessary by the Board. Any deviations therefrom will be reported in the independent auditor's report attached to the financial statements. The Board is also responsible for the integrity of these Annual Financial Statements and for the objectivity of any information presented therein.

In the preparation of the financial statements, the AMB has:

- adopted the going concern concept;
- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent.
- ensured that the financial statements provide an integral and transparent state of affairs regarding income and expenditure and cash flows of the Institution;
- ensured adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Board;
- safeguarded the assets of the Board by maintaining appropriate control systems and procedures;
- took reasonable steps to prevent and detect fraud and any other irregularities.

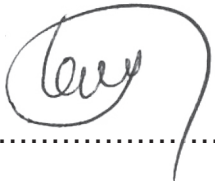
The financial statements for the year 2018/19 will be reviewed by the External Auditors.

The Board Members have taken note of the report and are satisfied that:

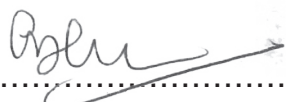
- adequate accounting records and an effective system of internal controls and risk management have been maintained,
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently,
- the Code of Corporate Governance has been adhered to where applicable,

Statement of Compliance

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

Signature.....

Dr. K. Payandi Pillay
Chairman

Signature.....

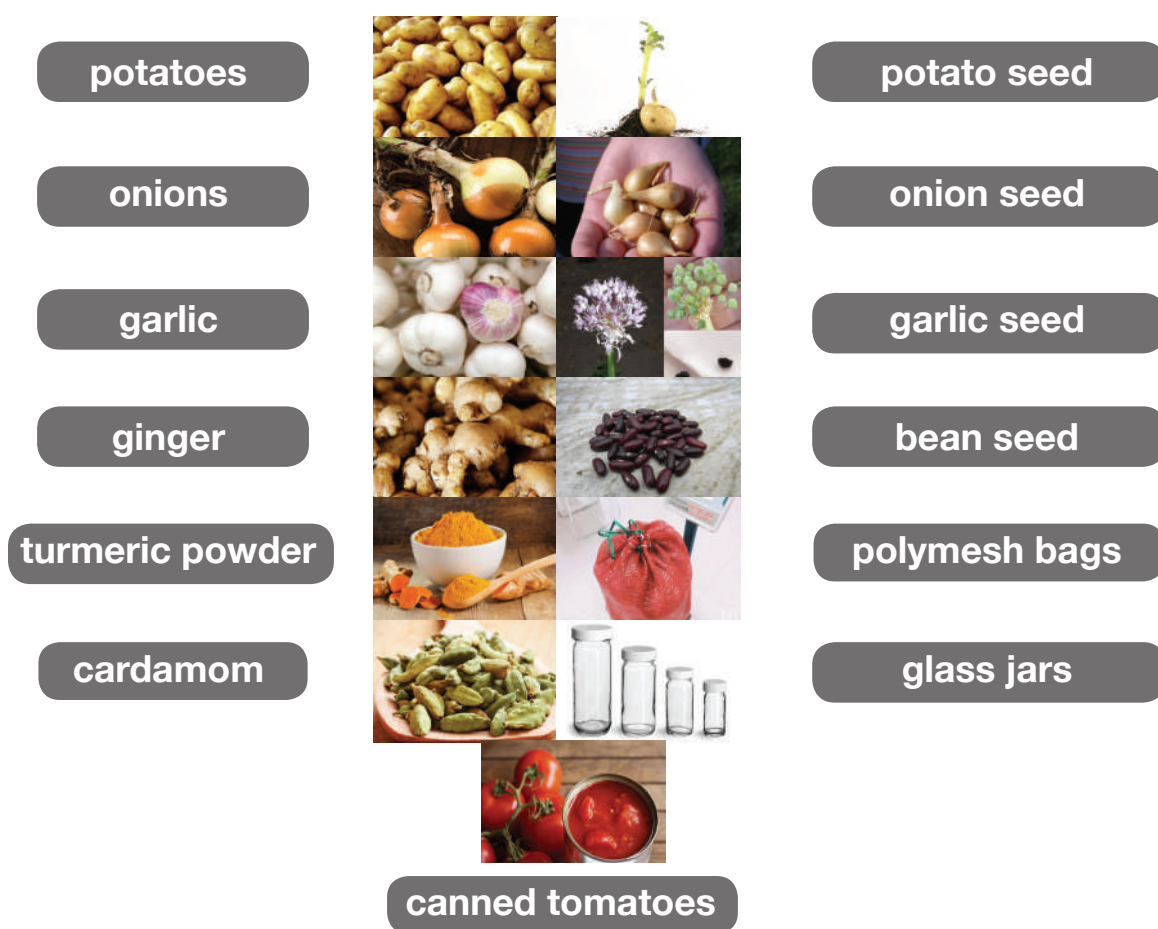
S.D. Soborun
Board Member

Date 25 June 2020

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:



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

During the local harvest periods, 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.

As far as other products like garlic, turmeric powder 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.

OPERATIONAL REVIEW

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 refrigerants. 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 and humidity are controlled, with a view to optimize the quality of the products thereby extending the shelf life.

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

(ii) Airport Cold Store

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

The storage capacity at the Airport Cold Store is 1,600 m³. The temperature ranges from +18° Celsius to -8° Celsius. The Airport Cold Store offers a 24-hours, 7 days' service.

(iii) Trou Fanfaron Fish Cold Store

The Trou Fanfaron Fish Cold Store operates from Monday to Friday and provides 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 -22° 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 up till end March 2019. The store will soon undergo renovation.

(v) Other Stores

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

OPERATIONAL REVIEW

AMB'S RETAILING UNITS

Location	Days	Stalls No.
Quatre Bornes Fair	Wednesdays and Saturdays	215
Vacoas Fair	Tuesdays and Fridays	457, 458
Curepipe, Forum	Wednesdays and Saturdays	418, 419
Curepipe, Jan Palach	Mondays, Tuesdays and Thursdays	56
Rose Hill Central Market	Tuesdays	68, 69
Chemin Grenier Fair	Wednesdays & Sundays	58
Rose Belle Fair	Wednesdays & Sundays	
Moka Retail Outlet	Every day except Sundays	
Quartier Militaire Retail Outlet	Sundays	
Rivière des Anguilles Retail Outlet	Saturdays	
Vallée Des Prêtres Retail Outlet	Thursdays and Saturdays	
Montagne Blanche Retail Outlet	Saturdays	
Triolet Retail Outlet	Every day except Sundays	
St Pierre Market Fair	Wednesdays & Sundays	257, 258
Port Louis Market Fair	Monday to Saturday	240, 241



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 for the potato planting community. All seeds are produced in conformity with the standards laid down by the Food Agricultural Research Extension Institute (FAREI). 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 MUR 31,555/t for the period July 2018 - June 2019.

For the year 2018/19, 706,520 kgs of Spunta seed potato were produced.

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

PURCHASE OF LOCAL SEED POTATO BY AMB CAMPAIGN 2018/19

Producer	Quantity (kg) - Spunta
Terragri Ltd.	312, 910
D K Agro Alimentaire Co Ltd.	107, 690
ENL Agri Ltd.	117, 230
Medine Ltd.	63, 500
Cie. Sucrière de St Antoine	105, 190
Total	706, 520



SEEDS

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 private operators for Campaign 2018.

IMPORT OF SEED POTATOES FOR WARE PRODUCTION – FOR CAMPAIGN 2018 (AMB & PRIVATE OPERATORS)

Producer	Variety	Qty (t) 2018/19	Supplier	Origin
AMB	Imp Spunta	82	HZPC	The Netherlands
	Imp Spunta	25	Southern Packers	Australia
	Imp Spunta (Oversize)	25	Southern Packers	Australia
	Safari	81	Stet Holland	The Netherlands
	Delaware	100	Southern Packers	Australia
	Delaware (Oversize)	15	Southern Packers	Australia
Sub - total		328		
MCA c/o Bluefrog	Spunta	190	Stet Holland	The Netherlands
		82.5	TPC	The Netherlands
		30	Southern Packers	Australia
	Safari	0.5	Stet Holland	The Netherlands
	New Varieties	1	Stet Holland	The Netherlands
	Delaware	20	Southern Packers	Australia
Sub - total		324		
Cope Sud	Spunta	95	Southern Packers	Australia
		110	Scea Du Fayet	France
	Delaware	242	Southern Packers	Australia
		50	Lake Jasper	Australia
	Mondial	40	Wesgrow Ltd.	South Africa
Sub - total		537		
Medine SE	Spunta	55	Scea Du Fayet	The Netherlands
Elife Ltd				
c/o Ellayah P	Spunta	26	Southern Packers	Australia
Senneville Agricultural Ltd. (25t Oversize)	Spunta	40	Southern Packers	Australia
	Delaware	40	Southern Packers	Australia
ENL Agri Ltd.	Spunta	82.5	Scea Du Fayet	France
Cie. de Gros Cailloux Ltee.	Spunta	82.5	Scea Du Fayet	France
Sub - total (Private Imports)		1,187		
Grand - Total		1,515		

SEEDS

COST OF IMPORTED SEED POTATO FOR WARE PRODUCTION BY AMB FOR PERIOD 1 JULY 2018 - 30 JUNE 2019

Variety	Origin	Average Price C & F (MUR/t)	Invoice Quantity (t)
Delaware	Australia	22,402.17	150
Spunta	Australia	30,870.92	75
Safari	The Netherlands	32,266.73	75
Everest	The Netherlands	32,267.00	7.5
Oversize Delaware	Australia		2.5
Total			310

SALE OF SEED POTATO FOR WARE PRODUCTION FOR CAMPAIGN 2018

Producer Groups	Spunta (t)		Delaware (t)	Safari (t)	Total (t)
	Local	Imported			
Small Planters	389,076	73,113	100,573	27,423	590,185
FAREI	1,215	-	25	240	1,480
AMB	10,082	24,980	-	313	35,383
Sugar Estates	237,541	13,125	12,000	50,500	313,166
Total	637,914	111,226	112,598	78,476	940,214

SALE OF SEED POTATO FOR SEED PRODUCTION

For Campaign 2018, 220 tonnes of the Basic Spunta seeds were imported from the Netherlands and allocated for seed production at the selling price of MUR 39,200/t.

IMPORT OF BASIC SPUNTA SEEDS FOR MULTIPLICATION

Basic seeds were imported from the Netherlands for multiplication as below:

VARIETY	ORIGIN	AVERAGE COST C&F (MUR / t)	QUANTITY (t)
Spunta Class A	The Netherlands	33,823.80	25
Spunta Class E	The Netherlands	48,179.25	109.85

SEEDS

BEAN SEEDS

For the period, 1 July 2018 to 30 June 2019, the AMB procured 6.5 tonnes of the popular Long Tom and Bison 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 (MUR/ t)	QUANTITY (t)
Long Tom	USA	165,971.69	4
Bison	USA	192,775.50	2.5

SALE OF BEAN SEEDS BY AMB FOR PERIOD 1 JULY 2018 -30 JUNE 2019

MONTH	QTY (kg.)
July 2018	535.5
August 2018	461.5
September 2018	523.5
October 2018	283.0
November 2018	170.5
December 2018	112.0
January 2019	56.0
February 2019	61.5
March 2019	327.5
April 2019	730.0
May 2019	484.5
June 2019	311.5
Total	4,057

SEEDS

ONION SEEDS

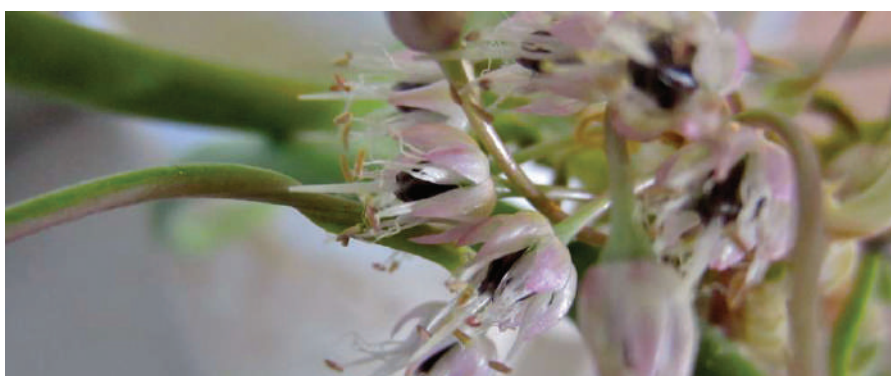


With a view to provide a service to the planting community, the AMB continued to procure onion seeds (*varieties recommended by the FAREI*) from international companies and through local representatives of foreign companies in Mauritius, upon requests of planters. In line with the objective of the Government to promote local production, seeds were sold to planters at competitive prices.

SELLING PRICE OF ONION SEEDS TO PLANTERS FOR PERIOD 1 JULY 2018 - 30 JUNE 2019

Variety		Price (MUR / kg)	Qty (kg)
Nun 7272		21,000	1
Pantera Rosa		13,600	24
Rosada		19,200	28
Bellarose	Grade II	3,000	18
Francia	Grade I	5,500	41.5
Total			112.5

GARLIC SEEDS



So as to continue with the Government policy to increase local production of garlic, the AMB had for period 1 July 2018 - 30 June 2019 purchased 11,110 kg of garlic to be used as seeds from local producers at MUR 135/kg. Garlic Seeds were sold at a subsidized price of MUR 105/kg.

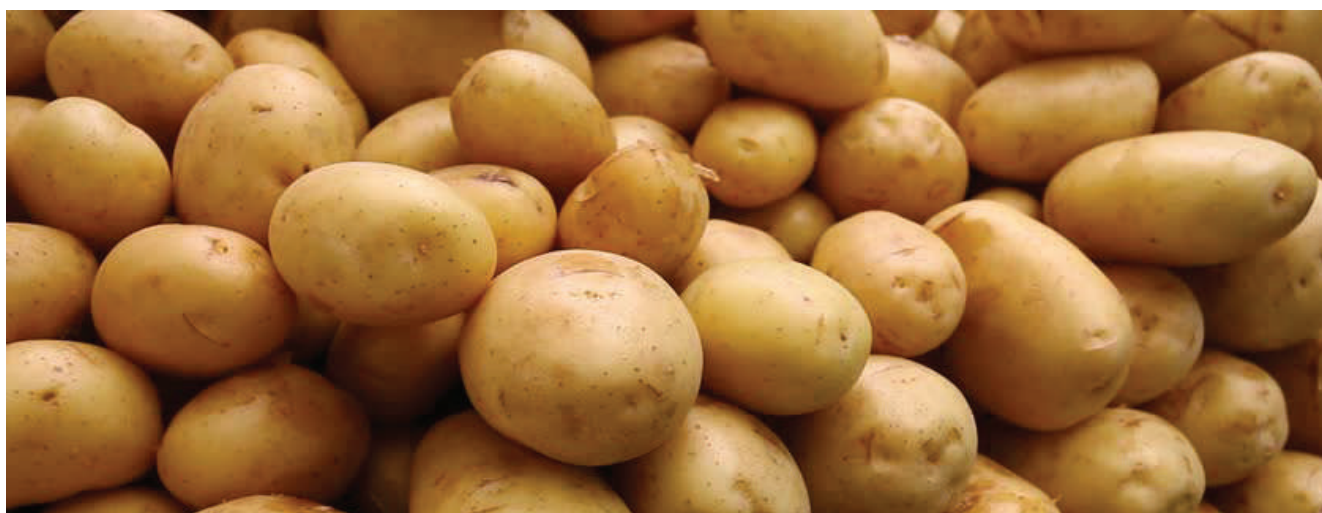
TABLE POTATOES

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

During period 1 July 2018 - 30 June 2019, 16,988 tonnes of table potatoes were harvested.



MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (ha)	Quantity (t)	Quantity (t)
July 2018			560.0
August 2018			-
September 2018			-
October 2018	715	16,988	-
November 2018			-
December 2018			-
January 2019			-
February 2019			-
March 2019			1,060.0
April 2019	10	138	1,280.3
May 2019			1,344.0
June 2019			224.0
Total	725	17,126	4,468.3

Source: Statistics Mauritius & AMB

TABLE POTATOES

PURCHASE OF LOCAL WARE POTATOES BY AMB FOR CAMPAIGN 2018

To regulate better 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 prices of :

- (i) MUR 24,500/tonnes (1st grade ware potatoes from Spunta and Delaware seeds)
- (ii) MUR 21,800/tonnes (mixed grade)

IMPORTS OF TABLE POTATOES

As in previous years, import of table potatoes was undertaken by both the AMB and private importers for the period 1 July 2018 - 30 June 2019. The private importers were allocated quotas for import, only during periods when local production was not available so as to encourage local producers.

For the period 1 July 2018 - 30 June 2019, the AMB imported 4,468.3 tonnes of table potatoes while private parties imported 2,716 tonnes.

IMPORTS & COST OF IMPORTS OF TABLE POTATOES

Country of Origin	Quantity (t)	Weighted Average C&F (MUR/t)
India	4,390.3	14,067.57
Australia	78	17,303.33

The weighted average cost of imports (C&F) for the AMB for period 1 July 2018 - 30 June 2019, was MUR 14,124.06/t.

SALE OF TABLE POTATOES BY AMB

Wholesale of table potatoes at the AMB was effected only during the off-season. As soon as the local harvest was in full swing, the AMB sold only through its retail outlets, market fairs and its distribution vans because dealers procured potatoes directly from planters.

ONIONS

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

During period 1 July 2018 - 30 June 2019, 3,375 tonnes of onions were harvested.

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (ha)	Quantity (t)	Quantity (t)
July 2018			252
August 2018			-
September 2018	272	3,375	924
October 2018			532
November 2018			1064
December 2018			952
January 2019			1,680
February 2019			616
March 2019	Negligible	4	1,288
April 2019			504
May 2019			728
June 2019			308
Total	272	3,379	8,848

Source: Statistics Mauritius & AMB

ONIONS

PURCHASE OF LOCAL ONIONS BY AMB

For the period 1 July 2018 - 30 June 2019, AMB purchased 101 tonnes of local onions from planters.

IMPORTS AND COST OF IMPORTS – ONIONS FOR PERIOD 1 JULY 2018 - 30 JUNE 2019

Country of Origin	Quantity Imported (t)	Average Cost C&F MUR/t
India	8,792	14,268.85
South Africa	56	18,451.80

The weighted average cost of imports (C&F) for AMB for period 1 July 2018 -30 June 2019 was MUR 14,295.33/tonne.

IMPORTS BY AMB VS. PRIVATE IMPORTERS

In order to ensure regular supply on the local market, onions were imported for the period 1 July 2018 - 30 June 2019, both by the AMB (8,848 tonnes) and private parties (5,208 tonnes).

ONIONS FROM RODRIGUES

AMB continued to purchase onions from Rodrigues at floor price. For the period 1 July 2018 -30 June 2019, a total of 44.7 tonnes were purchased.

SALE OF ONIONS BY AMB

The sale of onions at the AMB at the beginning of the year started to decline due to the import effected by private parties. However, as soon as the stock of the private operators was depleted, sales at AMB rose again. During the local harvest period, dealers procured onions directly from planters.

GARLIC

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 Garlic Seed Purchase Scheme, the AMB sold local garlic planting material for multiplication. Local production of garlic was 71 tonnes for period 1 July 2018 - 30 June 2019.

LOCAL PRODUCTION AND IMPORTS

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (ha)	Quantity (t)	Quantity (t)
July 2018			286
August 2018			112
September 2018	10	71	112
October 2018			224
November 2018			140
December 2018			280
January 2019			84
February 2019			196
March 2019	0	0	84
April 2019			168
May 2019			196
June 2019			116
Total	10	71	1,998

Source: Statistics Mauritius & AMB

The sale of garlic averaged 145 tonnes/month.

OTHER PRODUCTS

IMPORTS FOR THE PERIOD 1 JULY 2018 - 30 JUNE 2019

CARDAMOMS



ORIGIN	IMPORT
	Quantity (t)
India	0.8

TURMERIC POWDER

ORIGIN	IMPORT
	Quantity (t)
India	9



OTHER PRODUCTS

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. For the period July 2018 - 30 June 2019, the AMB imported 91,824 units of 100 mL, 9,900 of 150 mL and 63,183 units of 200 mL glass jars and caps.

CARROTS AND BEANS



As local production was affected due to adverse weather in Mauritius, for the period 1 July 2018 - 30 June 2019, AMB imported the following vegetables:

154.24 tonnes of carrots from South Africa and India;
0.4 tonnes beans from India;



**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Agricultural Marketing Board
for the year ended 30 June 2019**

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

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

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Agricultural Marketing Board set out on pages 42 to 70 in the accompanying Annual Report, which comprise the statement of financial position as at 30 June 2019 and the statement of financial performance, statement of changes in equity, statement of cash flows and statement of budgets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Agricultural Marketing Board as at 30 June 2019, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Agricultural Marketing Board in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

Emphasis of Matter

I draw attention to the following matters:

Trade Equalisation Reserve- Rs 653,889,745

At Note 15 of the financial statements it was mentioned that in the absence of a General Fund and pending a policy decision to be taken on its implementation, the Trade Equalisation Reserve was being maintained. Section 15 of the Mauritius Agricultural Marketing Act stipulates that surplus of income over expenditure from dealings in Controlled products shall be credited to a Trading Equalisation Reserve. In the absence of legal provision in the Act regarding the establishment of a General Fund, the retained profit for the year ended 30 June 2019 was wholly included in the Trade Equalisation Reserve, for both Controlled and Non-Controlled products.

Property, Plant and Equipment- Rs 216,650,617

At Note 9 of the financial statements, the Item 'Buildings, Tarmac and Infrastructure' amounting to Rs 134,855,896 included Buildings for storage purposes erected by the Agricultural Marketing Board on leasehold lands. These were reported as owned by the Board. Lease agreements between the Agricultural Marketing Board and the lessors have yet to be entered into.

My opinion is not modified in respect of these matters.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Agricultural Marketing Board, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Corporate Governance Report

My responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From my assessment of the disclosures made on corporate governance in the annual report, the Agricultural Marketing Board has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, 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.

In preparing the financial statements, management is responsible for assessing the Agricultural Marketing Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the Agricultural Marketing Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Agricultural Marketing Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agricultural Marketing Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Agricultural Marketing Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Management's Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Agricultural Marketing Board's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

Auditor's Responsibilities

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- in my opinion, the Agricultural Marketing Board has been applying its resources and carrying out its operations fairly and economically; and
- the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

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

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

The Agricultural Marketing Board has complied with the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister in so far as they relate to the accounts.

Based on my examination of the accounts of Agricultural Marketing Board, nothing has come to my attention that indicates that:

- (a) any expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (b) Agricultural Marketing Board has not applied its resources and carried out its operations fairly and economically.

Public Procurement Act

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

Other Matter

Section 7 (3) of the Statutory Bodies (Accounts and Audit Act) stipulates that the auditor shall within six months of the date of receipt of annual report submit the annual report and his audit report to the Board.

The Annual Report was submitted to National Audit Office on 31 October 2019. The financial statements were subsequently amended. The Annual Report was resubmitted on 02 July 2020.

Following regulations made under section 10 of the Statutory Bodies (Accounts and Audit) Act, the time period for submission of the audit report has been extended to 01 September 2020.



C. ROMOAH
Director of Audit

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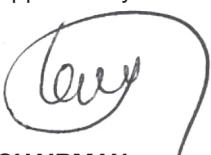
24 July 2020

AGRICULTURAL MARKETING BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	Year ended 30 June 2019	Year ended 30 June 2018 RESTATED
ASSETS		Rs.	Rs.
Current Assets			
Cash and cash equivalents	4	106,212,232	158,134,512
Cash - Food Security Fund Scheme	4.1	16,062,311	13,709,360
Fixed Deposit Investment	5	600,000,000	300,000,000
Receivables from Exchange Transactions	6	87,590,322	133,936,668
Inventories	7	84,399,365	71,917,683
TOTAL CURRENT ASSETS		894,264,230	677,698,223
Non-Current Assets			
Intangible assets	8	442,174	473,216
Property, plant and equipment	9	216,650,617	222,923,566
Land	9	5,000,000	5,000,000
TOTAL NON CURRENT ASSETS		222,092,791	228,396,782
TOTAL ASSETS		1,116,357,022	906,095,005
LIABILITIES			
Current Liabilities			
Trade and other payables	10	29,486,607	20,883,612
TOTAL CURRENT LIABILITIES		29,486,607	20,883,612
Non-Current Liabilities			
Advance-Food Security Fund Scheme	11	57,709,995	52,895,847
Non current payables	12	28,959,707	28,670,377
Retirement benefit obligations	13	162,421,435	293,355,907
Voluntary Retirement Scheme	14	1,877,773	3,043,214
TOTAL NON CURRENT LIABILITIES		250,968,911	377,965,345
TOTAL LIABILITIES		280,455,518	398,848,957
NET ASSETS		835,901,504	507,246,049
NET ASSETS/EQUITY			
Trade Equalisation Reserve	15	653,889,745	327,708,478
Grant - Food Security Fund Scheme	11.1	2,474,188	-
Revaluation reserves	16	179,537,571	179,537,571
TOTAL NET ASSETS/EQUITY		835,901,504	507,246,049

The notes on pages 48 to 61 form part of these financial statements.

Approved by Board on


CHAIRMAN
K PAYANDI PILLAY


BOARD MEMBER
V RAMKELAWON

AGRICULTURAL MARKETING BOARD
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Year ended 30 June 2019 Rs.	Year ended 30 June 2018 Rs.
<u>Revenue</u>			
<i>Revenue from Non Exchange Transactions</i>			
Administrative fee		453,580	58,450
Strategic Buffer Fee		17,301,600	19,314,600
		17,755,180	19,373,050
<i>Revenue from Exchange Transactions</i>			
Turnover	17	797,096,464	737,487,847
Commission on By-Catch Fish		4,040,343	1,284,105
Interest on bank balances and bank deposits		11,428,558	6,746,817
Interest on staff Loan		171,804	125,542
Rental Income		38,277,598	35,738,180
Compensation from suppliers	17.1	7,154,181	1,521,778
Finance Income - Outstanding Receivables		136,072	113,308
Insurance Claims		3,543	1,468,094
Decrease in Provision for Doubtful Debts		1,339,961	-
Other Income		2,777,508	5,805,861
		862,426,031	790,291,532
TOTAL REVENUE		880,181,211	809,664,582
<u>Expenses</u>			
Cost of sales	18	495,366,395	522,981,444
Staff costs	19	83,808,136	72,750,682
Electricity, water and telephone		39,203,459	35,444,559
Repairs and maintenance		7,937,342	7,120,498
Insurance		1,045,290	1,063,281
Legal and professional fees		742,608	621,027
Motor vehicles running expenses		831,541	759,496
Board members fees		846,866	871,514
Security services		1,657,173	1,649,483
Consultancy fees		425,123	-
Donations		50,000	-
Bad Debts		1,682,396	11,137
Other Operating Expenses	20	5,900,409	1,095,949
Other general and administrative expenses	21	3,320,982	3,752,713
Depreciation		30,110,410	28,543,918
Total expenses		672,928,131	676,665,701
<u>Other gains/(losses)</u>			
Gain on sale of assets		6,000	-
Gain on uncertified seeds		63,046	2,667,835
Gain on foreign exchange transactions		(266,752)	(877,553)
Surplus for the year		207,055,375	134,789,163

The notes on pages 48 to 61 form part of these financial statements.

AGRICULTURAL MARKETING BOARD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Trade Equalisation Reserve	Revaluation reserve	Other Reserves	Grant-Food Security Fund	Total
	Rs.	Rs.		Rs.	Rs.
Balance at 1st July 2017	320,145,764	179,537,571	(108,665,641)	-	391,017,694
Net surplus for the year	134,789,163	-	-	-	134,789,163
Adjustments in 2018	(127,226,450)		108,665,641	-	(18,560,809)
Balance at 30 June 2018	327,708,478	179,537,571	-	-	507,246,048
Adjustment for provision i.r.o Retirement Benefits wrongly accounted for	126,100,000				126,100,000
Corrected balance as at 1st July 2018	453,808,478	179,537,571	-	-	633,346,048
Net surplus for the year	207,055,375	-	-	-	207,055,375
Adjustment 18/19-Debtors overstated	(6,787,061)				(6,787,061)
Grant - Food Security Fund Scheme	-	-	-	2,474,188	2,474,188
Adjustments as at 30.6.19	(187,047)	-	-	-	(187,047)
Balance at 30 June 2019	653,889,745	179,537,571	-	2,474,188	835,901,503

The notes on pages 47 to 70 form part of these financial statements.

AGRICULTURAL MARKETING BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Year ended 30 June 2019	Year ended 30 June 2018
	Rs.	Rs.
Cash flow from operating activities		
Net surplus for the year	207,055,375	134,789,163
Adjustments for:-		
Depreciation, amortisation and Impairment	30,110,410	28,545,356
(Over)/Under Depreciation	-	(1,440)
Retirement benefit obligations	(130,934,472)	125,436,085
Employees benefit	289,331	283,282
Gain on uncertified seeds	(63,046)	(2,667,835)
(Gain)/loss on disposal	(6,000)	-
Other Non Cash Items	(2,348,392)	(124,640,039)
Adjustment payables imports	(6,822,888)	150
Adjustment retirement benefit scheme	126,100,000	37,535,891
Foreign exchange loss/(gain)-payables	266,752	877,553
Interest receivable-others	(11,736,434)	(6,985,667)
Operating surplus before working capital changes	211,910,635	193,172,499
Decrease / (increase) in trade and other receivables	46,346,347	(5,597,571)
Decrease/ (Increase) in inventories	(12,481,682)	(1,082,155)
(Decrease)/Increase in VRS	(1,165,441)	(746,042)
(Increase)/Decrease in staff loans	(285,334)	(1,993,162)
(Decrease) / increase in trade and other payables	8,602,995	(43,545,878)
Cash generated from operations	252,927,519	140,207,690
Net cash flows from operating activities	252,927,519	140,207,690
Cash flows from investing activities		
Acquisition of property, plant and equipment	(15,775,753)	(2,320,879)
Purchase of Intangible assets	(195,480)	(21,250)
Proceeds from disposal of non current assets	6,000	-
Assets Under Construction	(621,000)	(55,166,870)
Interest received	11,736,434	6,985,667
Net cash from investing activities	248,077,720	89,684,358
Cash flows from financing activities		
Net increase in cash and cash equivalents	248,077,720	89,684,358
Movements in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	458,134,512	368,450,155
Cash and cash equivalents at the end of the year	706,212,232	458,134,512
Net increase in cash and cash equivalents	248,077,720	89,684,358

The notes on pages 48 to 61 form part of these financial statements.

**AGRICULTURAL MARKETING BOARD
STATEMENT OF BUDGETS
FOR THE YEAR ENDED 30 JUNE 2019**

	Original Budget 2018/2019	Revised Budget 2018/2019	Actual 2018/2019	Difference
	Rs	Rs	Rs	Rs
Revenue				
Revenue from Non Exchange Transactions				
Administrative fee	39,660	213,130	453,580	240,450
Strategic Buffer Fee	19,694,400	14,847,400	17,301,600	2,454,200
	19,734,060	15,060,530	17,755,180	2,694,650
Revenue from Exchange Transactions				
Turnover	653,424,300	766,371,796	797,096,464	30,724,668
Commission on By-Catch Fish	2,450,000	2,450,000	4,040,341	1,590,341
Interest on bank balances and bank deposits	4,516,000	4,516,000	11,428,558	6,912,558
Interest on staff Loan	150,000	150,000	171,804	21,804
Rental Income	27,400,000	29,289,161	38,277,598	8,988,437
Compensation from suppliers	-	-	7,154,181	7,154,181
Finance Income - Outstanding Receivables	150,000	150,000	136,072	(13,928)
Insurance Claims	-	-	3,543	3,543
Decrease in Provision for Doubtful Debts	-	-	1,339,961	1,339,961
Other Income	1,126,255	6,358,901	2,777,506	(3,581,395)
	689,216,555	809,285,858	862,426,029	53,140,171
TOTAL REVENUE	708,950,615	824,346,388	880,181,209	55,834,821
Less Expenses			880,181,211	
Cost of sales	494,489,455	509,843,154	495,366,395	(14,476,759)
Staff costs	108,040,740	108,040,740	83,808,135	(24,232,605)
Electricity, water and telephone	37,116,000	37,116,000	39,203,459	2,087,459
Repairs and maintenance	12,636,475	12,636,475	7,937,342	(4,699,133)
Insurance	1,500,000	1,500,000	1,045,290	(454,710)
Legal and professional fees	960,000	960,000	742,608	(217,392)
Motor vehicles running expenses	1,518,300	1,518,300	831,541	(686,759)
Board members fees	1,200,000	1,200,000	846,866	(353,134)
Security services	1,900,000	1,900,000	1,657,173	(242,827)
Consultancy fees	400,000	400,000	425,123	25,123
Donations	-	-	50,000	50,000
Bad Debts	-	-	1,682,396	1,682,396
Other Operating Expenses	732,000	3,789,401	5,900,408	2,111,007
Other general and administrative expenses	4,556,080	4,618,980	3,320,982	(1,297,998)
Depreciation/Amortisation	37,000,000	30,000,000	30,110,410	110,410
Finance Costs	2,400	2,400	-	(2,400)
Total expenses	702,051,450	713,525,450	672,928,128	(40,597,322)
Other gains/losses			672,928,131	
Loss/(Gain) on sale of assets	-	-	(6,000)	(6,000)
Gain on uncertified seeds	-	-	(63,046)	(63,046)
Loss on foreign exchange transactions	100,000	100,000	266,752	166,752
	702,151,450	713,625,450	673,125,834	(40,436,570)
Surplus for the year	6,799,165	110,720,938	207,055,375	96,334,437

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 at competitive rates to importers, exporters and other operators.

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

2. Adoption of the International Public Sector Accounting Standards (IPSASs)

2.1 Standards Adopted

The Board is adopting the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board in line with amendments made in the Statutory Bodies (Account and Audit) Act for this financial year.

AMB's financial statements already comply with the accrual basis of accounting.

2.2. Significant Accounting Policies

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

(a) Statement of Compliance

The financial statements comply with International Public Sector Accounting Standards (IPSASs). for accrual basis of accounting The measurement base applied is historical cost adjusted for revaluations of assets ,

The accounting policies have been applied consistently throughout the period.

The Financial statements have been prepared on a going concern basis.

Comparative information for the Statement of Financial Performance and the Statement of Cash Flow has been provided.

The Financial Statements comply with the Statutory Bodies (Accounts and Audit) Act and with the Financial Reporting Act. The preparation of the financial statements in conformity with IPSAS requires management to make estimate and assumptions that affect amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

IPSAS 3: 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.

2.2. Significant Accounting Policies (Cont'd)

Prior period errors: These are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that: (a) was available when financial statements for those periods were 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. Disclosure related to the fact that the actuarial valuation carried out as at 30 June 2017 by SICOM Rs 126.0 M should not have been added to the liability of Rs 167,255,907 recognized as at 30 June 2018. (Restated)

(b) Basis of Preparation

The Board has adopted relevant new and revised IPSAS that are relevant to its operations for the year ended 30th June 2019, namely:

IPSAS 1- Presentation of Financial Statements.

IPSAS 2- Cash Flow Statements.

IPSAS 3- Accounting Policies. Changes in Accounting Estimates and Errors

IPSAS 4- The Effects of Changes in Foreign Exchange Rates.

IPSAS 7- Investments in Associates.

IPSAS 9- Revenue from Exchange Transactions.

IPSAS 12- Inventories.

IPSAS 13- Leases.

IPSAS 14- Events After the Reporting Date.

IPSAS 15- Financial Instruments: Disclosure and Presentation; (superseded by IPSAS 28 and IPSAS 30)

IPSAS 17- Property, Plant, and Equipment.

IPSAS 18- Segment Reporting.

IPSAS 19- Provisions, Contingent Liabilities and Contingent Assets.

IPSAS 20- Related Party Disclosures.

IPSAS 21- Impairment of Non-Cash-Generating Assets.

IPSAS 23- Revenue from Non Exchange Transactions. (Taxes and Transfers)

IPSAS 24- Presentation of Budget Information in Financial Statements.

IPSAS 25- Employee Benefits.-(superseded by IPSAS 39)

IPSAS 26- Impairment of Cash Generating Assets.

IPSAS 28- Financial Instruments: Presentation.

IPSAS 29- Financial Instruments: Recognition and Measurement.

IPSAS 30- Financial Instruments: Disclosures.

IPSAS 31- Intangible Asset.

IPSAS 33- First time Adoption of Accrual Basis IPSAS

IPSAS 39- Employee Benefits

In addition to the above mentioned standards, the following standards have been issued but Not adopted by the Board

IPSAS 5- Borrowing Costs

IPSAS 6- Consolidated and Separate Financial Statements.

IPSAS 8- Interest in Joint Ventures.

IPSAS 10- Financial Reporting in Hyperinflationary Economies.

IPSAS 11- Construction Contracts.

2.2. Significant Accounting Policies (Cont'd)

IPSAS 16- Investment Property.
IPSAS 22- Disclosure of Financial Information about the General Government Sector.
IPSAS 27- Agriculture.
IPSAS 32- Service concession arrangements: Grantor.
IPSAS 34- Separate Financial Statement
IPSAS 35 Consolidated Financial Statements.
IPSAS 36- Investments in Associates and Joint Ventures.
IPSAS 37-Joint Arrangements.
IPSAS 38- Disclosure of interest in other entities

(c) *Basis of Accounting*

The principle accounting policies adopted are set out below. 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 IPSAS 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 to change in presentation in the current year.

The financial statements are presented in Mauritian Rupees because that is the currency of the primary economic environment in which the Board operates.

(d) *Cash and cash equivalent*

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 that are readily convertible to cash and subject to insignificant risk of changes in value.

(e) *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. Shrinkages and damages were accounted as expenses and cost of inventories were reduced. Thus, the operating profit has been decreased by shrinkages amounting to Rs 14M and damages amounting to Rs 2.3M.

2.2. Significant Accounting Policies (Cont'd)**(f) Intangible Assets**

Acquired computer software licenses 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.

(g) Revenue recognition**(i) Exchange Transactions**

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.

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.

(ii) Non-Exchange Transaction

Assets and revenue arising from transfer transactions are recognized in accordance with the requirements of IPSAS 23, Revenue from Non-Exchange Transaction (Taxes and Transfers). Other operating income comprises mainly of strategic buffer fee and by catch fish.

(h) Foreign currency transaction

The organization is exposed to certain currency exchange, credit, interest rate and liquidity risks.

(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

2.2. Significant Accounting Policies (Cont'd)

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.

(i) **Accounts Receivable.**

Accounts receivable are stated at original invoice amount less an estimate for doubtful receivables based on a review of all outstanding amount at year end.

(j) **Property Plant and Equipment**

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

Building (held for administrative purpose and stores) and Plant and Equipment are stated in the Statement of Financial Position at cost less accumulated depreciation. 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.

2.2. Significant Accounting Policies (Cont'd)

The gains or losses arising on disposal or retirement of an item of property, plant and equipment is determined the difference between the sales proceeds and the carrying amount of the asset and is recognized as the statement of profit or loss and other comprehensive income.

All existing assets were valued at fair value (current market value) at time of revaluation carried out by Mega Design Consultant and all new assets were valued at cost.

Also a full year's depreciation has been charged in the year of acquisition and no depreciation has been charged in the year of disposal.

(k) Trade Payables

Trade payables are not interest bearing and are stated at their nominal value.

(l) Retirement Benefit

State Plan

For those employees holding a permanent and pensionable post, AMB contributes to the Family Protection Scheme managed by SICOM Ltd. It also contributes to the National Pension Scheme for those working on contract the contribution are expensed to the Statement of Financial Performance in the period in which they fall due.

AMB operates both a defined benefit pension plan and a defined contribution pension scheme.

Retirement Benefits under Defined Benefit Pension Plan

The assets of the defined benefit pension plan are managed by the SICOM Ltd and the cost of providing the benefit is determined in accordance with actuarial review.

The present value of the defined benefit obligations is recognized in the Statement of Financial Position as a non-current liability or non-current asset after adjusting for fair value of plan assets, any unrecognized actuarial gains and losses and any unrecognized past service cost.

The current service cost and any unrecognized past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets.

Defined contribution pension Scheme

The Board operates a defined contribution retirement benefit plan at SICOM Ltd for all qualifying employees as from year 2015. Contributions to defined contribution retirement benefit scheme are recognized as an expense when employees have rendered service entitling them to the contributions. The contributions are charged to the Statement of Financial Performance in the period to which they relate.

2.2. Significant Accounting Policies (Cont'd)

(m) 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 some Rs 2.5 M was treated as short term facilities to provide for any forthcoming payments of passage in the next fiscal year.

(n) Related parties – IPSAS 20

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

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

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 as at 30 June 2019 amounted to some Rs 52,140.

(o) Provisions/Contingent Liabilities and Assets

(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 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 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.

2.2. Significant Accounting Policies (Cont'd)

(ii) Contingent Liabilities and Assets

According to IPSAS 19 provisions, contingent assets and contingent liabilities, a contingent asset arises when the inflow of economic benefits or service potential is probable, but not virtually certain, and occurrence depends on an event outside the control of the entity. An amount of USD 162,910 and Euro 24,038 were expected to be refunded following case won by AMB.

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.

(p) 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 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.

(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 FVTPL.

2.2. Significant Accounting Policies (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.

(q) 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.

2.2. Significant Accounting Policies (Cont'd)

(r) 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 operates internationally and 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. Credit risk relates to the possibility of default by customers and suppliers in settling their obligations to the Board. 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 and having a good track record and as there are well-established payment schedules the possibility of material loss arising is considered to be mitigated,

(iii) Interest Rate Risk

The Board's interest risk arises from cash at bank and bank overdraft. The Board has no other exposures to interest rate risk. These risks are to some extent mitigated as the Board maintain a cash surplus that is invested in short-term deposits following invitation from Financial Institutions to submit their best interest rate. 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. In order to ensure adequacy of its funding cash flow forecasts are prepared regularly and actions taken appropriately.

(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. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on the risk e: g entering to some extent in forward purchase.

2.2. Significant Accounting Policies (Cont'd)

Sensitivity analysis in respect of market risk demonstrate the effect of change in a key assumption while other assumptions remain unchanged. In reality there is a correlation between the assumption and other factors.

(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 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 or the Board and which may attract a civil or criminal fine.
- (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.

(s) Impairment

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

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

(t) Borrowing costs

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

2.2. Significant Accounting Policies (Cont'd)

(u) Reclassifications

Certain reclassifications have been made to the financial statements for the fiscal year ended 30 June 2019 to conform to the current period presentation.

(v) 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.

(w) Food Security Fund

The amount of Rs 16,062,311 represents fund provided by the Ministry of Agro Industry and Food Security and refund from debtor's scheme.

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 un-collectability. 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.

3.3. Comparison of Budget with Actual

(i) **Revenue** - The difference of **Rs 55.9 M** in revenue is explained as follows:

REVENUE	RS M
Increase in revenue from Non-Exchange Transactions	2.69
Increase in Turnover	30.72
Increase in commission By-catch	1.59
Interest on bank deposits and balances	7.00
Increase in Rental Income	8.98
Compensation from suppliers	7.15
Decrease in Provision for Doubtful debts	1.33
Decrease in other income	(3.58)
TOTAL	55.9

Increase in Turnover cannot be ascertained at time of preparation of Budget and same was understated. Increase in Rental Income also cannot be foreseen. No estimates were made for compensation from suppliers (Rs 7.15M) and Provision for Doubtful debts (Rs 1.33M) as same were not expected at time of preparation of Budget following the prudence concept.

3.3. Comparison of Budget with Actual (Cont'd)

(ii) *Expenditure Budget*

AMB present its Financial Statements and expenditure budget on an accrual basis. Following the changes in the Statutory Bodies (Accounts and Audit) for the purpose of presentation of budget information on a comparative basis, the Financial Statement is prepared on a twelve month basis ending 30th June 2019. Consequently both budget and Financial Statement is aligned to the same period.

(iii) *Recurrent Expenditure Budget*

The difference between the original recurrent expenditure budget and actual (excluding provision for employee benefits) represents the % of budgeted amount and major variances are explained as follows:

Cost of sales - The original estimate was **Rs 494M** and due to the forecast for an increase in the purchase of produce, the cost of sales has been revised to **Rs 510M**. Taking into consideration the fluctuation in purchase price the cost of sales was overstated by **Rs 14M**.

Salaries and staff costs - The net saving of **Rs 19.4M** is mainly due to actual expenditure which include a provision of **Rs 12.88M** in respect of retirement benefit obligation based on actuarial valuation of pension fund as at 30th June 2018 and a provision of **Rs 14M** and **Rs 15M** for bank of sick leave and vacation leave respectively.

Electricity, water and telephone - The original estimate was **Rs 37M** and due to an increase in the volume of produce stored in the cold room, the cost of electricity has increased considerably by some **Rs 2M**, with regards to storage rent which has increase by some **Rs 9M**

Repairs and Maintenance - Savings of **Rs 4.7M** was due to a buffer budget allocated for repairs and maintenance of our major assets (which has already reached their optimum life cycle, to cater for any breakdown-such as cold room, machines and forklifts).

Other operating expenses - The original estimates was **Rs 732,000** and due to unexpected compensation to dealers it was revised to some **Rs 3.7 M**. Provision was made for the pilot project for cultivation of potato at Camp Diable and an amount of **Rs 1.6M** was used for same.

**AGRICULTURAL MARKETING BOARD
STATEMENT OF BUDGETS
FOR THE YEAR ENDED 30 JUNE 2019**

	Year ended 30 June 2019	Year ended 30 June 2018
	Rs.	Rs.
4. CASH AND CASH EQUIVALENTS		
Cash in hand	20,000	36,080
Cash at bank	106,192,232	158,098,432
	106,212,232	158,134,512
4.1 Cash - Food Security Fund Scheme	16,062,311	13,709,360
5. FIXED DEPOSIT INVESTMENT	Rs.	Rs.
Short Term Fixed Deposit	350,000,000	300,000,000
Government of Mauritius Treasury Certificates	250,000,000	-
	600,000,000	300,000,000
6. RECEIVABLES FROM EXCHANGE TRANSACTIONS	Rs.	Rs.
Trade Receivables	64,320,132	30,921,652
Other Receivables	8,450,343	4,849,749
Deposit on seeds		-
Prepayments	9,887,188	54,331,455
Refundable Security Deposit	800,000	800,000
Staff Car Loans	3,816,731	3,659,896
Staff personal Loans	315,928	187,429
Food Security Fund	-	39,186,487
	87,590,322	133,936,668
7. INVENTORIES	Rs.	Rs.
Agricultural products	71,847,379	60,046,644
Stationery	446,562	479,737
Spare parts	12,105,424	11,391,302
	84,399,365	71,917,683
8. INTANGIBLE ASSETS	Rs.	Rs.
Computer Software:		
Cost		
Balance at start of period	1,186,580	1,165,330
Revaluation Adjustment 2015	-	-
Acquisitions	195,480	21,250.00
Balance at end of period	1,382,060	1,186,580
Amortisation and impairment losses		
Balance at start of period	713,365	518,689
Adjustment 2015	-	-
Adjustment for under provision in 2015	-	-
Charge for the year	226,522	194,676
Balance at end of period	939,887	713,365
Carrying amounts:		
At end of period	442,173	473,215

The estimated useful life of computer software is five years.

**AGRICULTURAL MARKETING BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

9 PROPERTY, PLANT AND EQUIPMENT

COST/ VALUATION	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	10% Waterproofing	Assets Under Construction	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At 01 July 2017	131,521,107	118,712,175	25,843,506	3,642,301	870,000	1,092,164	1,165,539	2,065,461	-	-	284,912,253
Additions	-	1,564,000	244,374	-	-	106,065	127,482	278,958	-	55,166,870	57,487,749
At 30 June 2018	131,521,107	120,276,175	26,087,880	3,642,301	870,000	1,198,229	1,293,021	2,344,419	-	55,166,870	342,400,002
At 01 July 2018	131,521,107	120,276,175	26,087,880	3,642,301	870,000	1,198,229	1,293,021	2,344,419	-	55,166,870	342,400,002
Additions	-	-	2,410,966	-	-	182,275	587,918	296,485	-	12,298,109	15,775,753
Assets Under Construction	53,773,887	-	8,530,000	-	-	-	2,173,991	-	10,201,288	(74,679,165)	-
Adjustments	-	-	-	-	-	-	-	1,800	-	-	1,800
Accruals	-	-	-	-	-	-	-	-	-	7,214,186	7,214,186
Assets Under Construction	-	-	-	-	-	-	-	-	-	621,000	621,000
Disposal	-	-	(194,500)	-	-	-	-	-	-	-	(194,500)
At 30 June 2019	185,294,994	120,276,175	36,834,346	3,642,301	870,000	1,380,504	4,054,930	2,642,704	10,201,288	621,000	365,818,241
	185,294,994	120,276,175	36,834,346	3,642,301	870,000	1,380,504	4,054,931	2,642,704	10,201,288	-	-
DEPRECIATION											
At 01 July 2017	30,080,137	45,844,627	12,105,051	1,563,075	271,875	231,252	360,446	656,568	-	-	91,113,031
(Over)/Under Depreciation	-	-	-	-	-	-	-	(1,440)	-	-	(1,440)
Disposal	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	14,560	(400)	-	-	-	14,160
Charge for the year	10,175,075	14,084,559	2,968,458	277,230	108,750	152,201	135,688	448,719	-	-	28,350,882
At 30 June 2018	40,255,212	59,929,186	15,073,509	1,840,305	380,625	388,013	495,735	1,103,847	-	-	119,476,434
At 01 July 2018	40,255,212	59,929,186	15,073,509	1,840,305	380,625	388,013	495,735	1,103,847	-	-	119,476,432
(Over)/Under Depreciation	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	(194,500)	-	-	-	-	-	-	-	(194,500)
Transfer	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	1,800	-	-	1,800
Charge for the year	10,183,886	13,271,393	3,987,385	277,230	108,750	169,974	406,933	458,209	1,020,128	-	29,883,887
At 30 June 2019	50,439,098	73,200,579	18,866,394	2,117,535	489,375	567,987	902,668	1,563,856	1,020,128	-	149,167,619
NET BOOK VALUE											
At 30 June 2019	134,855,896	47,075,596	17,967,952	1,524,766	380,625	812,517	3,152,262	1,078,848	9,181,160	621,000	216,650,623
At 30 June 2018	91,265,895	60,346,989	11,014,371	1,801,996	489,375	800,216	797,286	1,240,572	-	55,166,870	222,923,569

Note:

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

	Year ended 30 June 2019	Year ended 30 June 2018
	Rs	Rs
10. TRADE AND OTHER PAYABLES		
Trade payables	5,104,816	3,564,176
Other payables	5,114,295	5,222,734
Accruals	8,320,140	2,652,039
Deposits on rental of AMB cold rooms	4,847,432	3,929,309
Payment on account	553,743	5,000
Provision for sick leaves	808,000	791,000
Provision for passage benefits	2,500,000	2,000,000
Provision for vacation leaves	626,000	600,000
Provision for VRS	1,612,181	2,058,922
Provision for Annual leaves	-	60,432
	29,486,607	20,883,612
11. Advance-Food Security Fund Scheme	57,709,995	52,895,847
11.1 Grant - Food Security Fund Scheme		
(Being Grant received from Ministry of Agro Industry and Food Security.)	2,474,188	-

12. EMPLOYEE BENEFITS OBLIGATIONS

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

(a) **The sick leave is payable as follows:**

Trade and other payables from Non-Exchange Transactions

	Year ended 30 June 2019 Rs	Year ended 30 June 2018 Rs
Payable within one year	808,000	791,000

Non-current liabilities

Payable after one year	13,603,632	13,545,978
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	14,411,632	14,336,978
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(b) **The passage benefit is payable as follows:**

Trade and other payables from Non-Exchange Transactions

Payable within one year	2,500,000	2,000,000
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Non-current liabilities

Payable after one year	884,120	1,195,561
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	3,384,120	3,195,561
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(c) **The vacation leave is payable as follows:**

Trade and other payables from Non-Exchange Transactions

Payable within one year	626,000	600,000
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Non-current liabilities

Payable after one year	14,471,955	13,928,838
------------------------	------------	------------

	15,097,955	14,528,838
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(d) **Annual Leaves for Contract Officers**

	-	60,432
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13. RETIREMENT BENEFIT OBLIGATIONS

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

The most recent actuarial valuations of the plan assets and the present value of the defined benefit obligation were carried out at 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.

	Year ended 30 June 2019	Year ended 30 June 2018
	Rs.	Rs.
13. RETIREMENT BENEFIT OBLIGATIONS (Continued)		
Amounts recognised in the statement of financial position at end of year:		
Defined benefit obligation	270,071,935	264,027,192
Fair value of plan assets	(107,650,500)	(96,771,285)
Liability recognised in the statement of financial position	162,421,435	167,255,907
Amounts recognised in profit or loss:		
Service cost:		
Current service cost	4,877,360	4,518,160
Employee Contributions	(2,190,726)	(2,122,916)
Fund expenses	140,630	232,757
Net Interest expense /(income)	10,009,115	11,320,246
Profit and Loss Charge	12,836,379	13,948,247
Remeasurement		
Liability (gain) / loss	1,157,150	(3,420,456)
Assets (gain) / loss	1,561,447	(3,210,107)
Net Assets / Equity (NAE)	2,718,597	(6,630,563)
TOTAL	15,554,976	7,317,684
Movement in liability recognised in statement of financial position:		
At start of year	167,255,907	167,919,822
Amount recognised in Profit and Loss	12,836,379	13,948,247
Past Service Funding	(12,880,000)	-
Contributions and direct benefits paid by employer	(7,509,448)	(7,981,599)
Amount recognised in NAE	2,718,597	(6,630,563)
At end of year	162,421,435	167,255,907

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.

	Year ended 30 June 2019	Year ended 30 June 2018
	Rs	Rs
13. RETIREMENT BENEFIT OBLIGATIONS (Continued)		
<i>Reconciliation of the present value of defined benefit obligation</i>		
Present value of obligation at start of period	264,027,192	260,122,027
Current service costs	4,877,360	4,518,160
Interest costs	16,105,659	17,298,114
Benefits paid	(16,095,426)	(14,490,653)
Liability (gain) / loss	1,157,150	(3,420,456)
Present value of obligations at end of period	270,071,935	264,027,192
<i>Reconciliation of fair value of plan assets</i>		
Fair value of plan assets at start of period	96,771,285	92,202,205
Expected return on plan assets	6,096,544	5,977,868
Employer contributions	6,243,104	6,085,612
Past Service Funding	12,880,000	-
Employee contributions	2,190,726	2,122,916
(Benefits paid and other outgo)	(14,969,712)	(12,827,423)
Asset gain/(loss)	(1,561,447)	3,210,107
<i>Fair value of plan assets at end of period</i>	107,650,500	96,771,285
<i>Distribution of plan assets at end of period</i>	Jun-19	Jun-18
<i>Percentage of assets at end of year</i>		
Fixed securities and cash	58.7%	59.50%
Loans	3.4%	3.70%
Local equities	13.1%	14.60%
Overseas bonds and equities	24.2%	21.60%
Property	0.6%	0.60%
<i>Total</i>	100%	100%
<i>Additional disclosure on assets issued or used by the reporting entity</i>		
<i>Percentage of assets at end of year</i>	%	%
Assets held in the entity's own financial instruments	0%	0%
Property occupied by the entity	0%	0%
Other assets used by the entity	0%	0%

	Year ended 30 June 2019	Year ended 30 June 2018
13. RETIREMENT BENEFIT OBLIGATIONS (Continued)	Rs.	Rs.
Components of the amount recognised on NAE		
Asset experience gain / (loss) during the period	(1,561,447)	3,210,107
Liability experience gain / (loss) during the period	(1,157,150)	3,420,456
	(2,718,597)	6,630,563
Year 2019/20 : Expected employer contributions	Rs 6.5M	Rs 6.5M

Weighted average duration of the defined benefit obligation

(Calculated as a % change in PV of liabilities for a 1% change in discount rate) 12years

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:

	Year ended 30 June 2019	Year ended 30 June 2018
Discount rate	6.10%	6.7%
Future salary increases	4.00%	4.00%
Future pension increases	3.00%	3.00%
Mortality before retirement	A 6770 Ultimate Tables PA (90) Tables rated down by 2 years	
Mortality in retirement		
Retirement age	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 28.4M (increase by Rs 34.3M) if all other assumptions were held unchanged.

- If the expected salary growth would increase (decrease) by 100 basis points, the defined benefit obligation would increase by Rs 11.4M (decrease by Rs 10.2M) if all assumptions were held unchanged.

- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs8.2 M (decrease by Rs 8.2M) if all assumptions were held unchanged.

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

	Year ended 30 June 2019	Year ended 30 June 2018
14 VOLUNTARY RETIREMENT SCHEME		
The VRS Scheme is payable as follows:		
Trade and other payables from Non-Exchange Transactions	Rs	Rs
Payable within one year	1,612,181	2,058,922
Non-current liabilities		
Payable after one year	1,877,773	3,043,214
	3,489,954	5,102,136

	Year ended 30 June 2019	Year ended 30 June 2018 RESTATED
	Rs	Rs
15. TRADE EQUALISATION RESERVE		
Balance at start of period	327,708,478	320,145,764
Adjustments as at 1.7.18 for Retirement Benefits	126,100,000	
Retained surplus for the year	207,055,375	134,789,163
Adjustment 18/19-Debtors	(6,787,061)	
Adjustment 18/19	(187,046)	(127,226,449)
Balance at end of period	653,889,745	327,708,478

In the absence of a General/Accumulated Fund and pending a policy decision to be taken on its implementation the Trade Equalisation Reserve is being maintained.

	Rs.	Rs.
16. REVALUATION RESERVES		
Balance at start of period	179,537,570	179,537,570
Balance at end of period	179,537,570	179,537,570

17 TURNOVER

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

PRODUCE	Year ended 30 June 2019		Year ended 30 June 2018	
	Quantity	Amount	Quantity	Amount
	TONS	RS	TONS	RS
Imported Potatoes	4843	126,149,528	5698	148,316,926
Local Potatoes	5599	147,062,838	3186	83,392,583
Imported Onions	8749	257,320,695	7679	240,397,874
Local Onions	100	2,558,177	236	6,353,701
Rodrigues Onions	44	1,622,242	73	2,358,528
Imported Seed Potatoes	313	12,718,836	527	20,310,395
Local Seed Potatoes	563	23,648,749	503	22,459,095
Imported Garlic	1912	208,004,380	1774	194,792,271
Local Garlic	3.5	368,025	8	758,403
Imported Bean Seeds	4	1,021,950	4	837,540
Imported Onion Seeds	0.1	646,600	0.1	603,400
Local Onion Seeds	22	2,058,059	30	1,329,477
Imported Cardamom	1	757,143	0.9	876,783
Imported /Local Carrots	150.7	9,861,613	97	5,747,915
Imported Turmeric Powder	9	901,885	7	906,610
Others	-	2,395,744	-	8,046,346
TOTAL TURNOVER		797,096,464		737,487,847

17.1 COMPENSATION FROM SUPPLIERS

This includes refund from suppliers for shortages and sub standard quality of produce in terms of foreign currencies, for claims effected in previous years(eg; USD, EURO and AUD).

18 COST OF SALES

	Year ended 30 June 2019	Year ended 30 June 2018
Cost of sales:	Rs	Rs
Opening stock	60,046,644	59,441,504
Purchases	507,167,130	523,586,584
Closing stock	(71,847,379)	(60,046,644)
	495,366,395	522,981,444

19 STAFF COSTS

	Rs	Rs
Salaries, Wages and other benefits	83,567,801	72,655,332
Training	240,335	95,350
	83,808,136	72,750,682

	Year ended 30 June 2019	Year ended 30 June 2018
	Rs	Rs
20. OTHER OPERATING EXPENSES		
General expenses - store	756,505	534,587
Waste Disposal	179,800	146,410
Compensation to dealers	3,328,405	347,618
Other operating expenses	1,635,699	67,334
	5,900,409	1,095,949
21. OTHER GENERAL AND ADMINISTRATIVE EXPENSES	Rs	Rs
Overseas travelling	-	274,218
Postage, printing and stationery	1,136,209	1,147,096
Advertising	296,200	430,994
Audit fees	275,000	412,500
General expenses	1,448,491	1,347,133
Rent payable	165,082	140,772
	3,320,982	3,752,713

AGRICULTURAL MARKETING BOARD
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22. SEGMENT REPORTING

	POTATOES		ONIONS			GARLIC		SEED POTATO		ONION SEED		IMPORTED TURMERIC	IMPORTED BEAN SEEDS	IMPORTED CARDAMOM	OTHERS	TOTAL
	LOCAL	IMPORTED	LOCAL	IMPORTED	RODRIGUES	LOCAL	IMPORTED	LOCAL	IMPORTED	LOCAL	IMPORTED					
RS M																
REVENUE	165	146	3	290	2	0	215	26	15	2	1	1	1	1	12	880
Less: COST OF OPERATION	(75)	(127)	(6)	(243)	(3)	(2)	(116)	(22)	(23)	(1)	(1)	(1)	(1)	(1)	(9)	(630)
OPERATING SURPLUS/ (DEFICIT)	91	19	(3)	47	(0.7)	(1)	99	4	(9)	0.70	0.07	0.40	0.1	0.1	3	250
Less: OTHER EXPENSES	11	10	0.2	16	0.07	0.02	3	1	1	0	0.0	0.01	0.00	0.01	0.01	43
NET SURPLUS/ (DEFICIT)	80	9	(3.15)	31	(0.8)	(1)	95	3	(10)	0.69	0.02	0.39	0.08	0.07	3	207

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 some Rs 207M for the year ended 30 June 2019 is made up as shown above. Deficits on these products are cross subsidized from surpluses on sales of other products.

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