



AGRICULTURAL MARKETING BOARD



ANNUAL REPORT

1 July 2019-30 June 2020

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TABLE OF CONTENTS

	Page
Vision, Mission, Objectives	2
Chairman's Statement	3
General Manager's Review	4
Corporate Governance Report	6
Operational Overview	24
Seeds	27
Table Potatoes	30
Onions	31
Garlic	33
Other Products	34
Report of Director of Audit	36
Financial Statements & Notes	42 to 68

OUR VISION

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

OUR MISSION

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

OBJECTIVES

To encourage local production of as much of the country's food requirements as is economically feasible;

To ensure that marketing costs are at a minimum; consistent with satisfying consumer demand;

To limit price fluctuations in line with consumer preferences;

To operate its installations & other resources with maximum efficiency for the benefit of producers & consumers;

To regulate standards and quality of products falling under its control.

CHAIRMAN'S STATEMENT

The Honourable Maneesh Gobin
Attorney General, Minister of Agro-Industry and Food Security
Renganaden Seeneevassen Building
Port Louis

Dear Minister,

In accordance with the provision of Section 25 of the Mauritius Agricultural Marketing Board Act (1963), and on behalf of the Board members and the Management of the Agricultural Marketing Board (AMB), I am extremely honoured and privileged to submit our Annual Report for the period July 2019 to June 2020.

During this financial year, the AMB has been very active and has responded positively to the call of the Central Government through the Parent Ministry to ensure that the population does not face any shortage of basic foods, especially the controlled products like potato, onion and garlic. During the confinement period resulting from the outbreak of the Covid-19 pandemic, necessary assistance was given to Parent Ministry to ensure the supply of basic necessities to hospitals charitable institutions, etc. The AMB has also contributed a sum of MUR 225m to the consolidated fund in line with government policy.

Following the decision of the Central Government to confer the operational management of the National Wholesale Market to the AMB, several consultative meetings were organized with the different stakeholders, namely growers, auctioneers and dealers to come up with a proposal on the operational procedures for its implementation. These meetings are on-going and at the level of the AMB, we are confident the NWM will be well on track and will meet the objectives set.

The setting up of an Agro-processing Unit, on a pilot basis, will become a reality shortly and several other laudable projects are in progress.

Finally, Honourable Minister, let me reassure you that the financial statement for the year ending 30 June 2020 has been prepared in line with the International Public Sector Accounting Standards (IPSASs) and gives a true and fair view the financial status of the AMB.

Thank you, dear Minister for your unconditional support.

Yours faithfully



Dr. K. Payandi Pillay,
Chairman

Date: 28th September 2020

GENERAL MANAGER'S REVIEW

I am pleased to present the Annual Report of the Agricultural Marketing Board (AMB) for the period 1 July 2019 to 30 June 2020.

The year under review has been the most challenging in AMB's history. With the outbreak of the Coronavirus in China at the beginning of the year 2020 and the very high uncertainty of its effect on world trade, AMB in consultation with the Ministry of Agro Industry and Food Security, played a crucial role in ensuring food security in the country. Potatoes, onions and garlic were delivered to the population at large and at no point in time, there was any shortage of these produce on the market.

AMB had to intervene to regulate the imports and supplies. Moreover, with a view to protecting the population, the maximum retail price of onions and potatoes had to be fixed at MUR 40 per kg.

Imports and retailing activities

AMB has imported 11,121.21 tonnes onions, 7,016.75 tonnes potato, 2,094.92 tonnes garlic and 126.836 tonnes vegetables (carrots, beans and cabbages) and ensured the constant supply of these produce to the Mauritian nation at affordable prices.

Besides its traditional wholesaling activities, AMB has been involved in retailing activities. During the period under review, AMB started to operate new stalls at the Goodlands and Rivière du Rempart FSC premises and door to door delivery of produce across the island.

Our People

AMB places great emphasis on the development of human talent and skills. A total of 770 hours of training were dispensed to employees in diverse fields, for instance: Refresher Course on Navision system, First Aid Course, Safe Driving Techniques for Forklifts, Anti-Corruption program for newly recruited officers, Foodhandler's Training, Project Management, IT Security, Occupational Safety and Health and Financial Management in the public sector amongst others. During the period of review, AMB has embarked on several noteworthy projects inter-alia:

a) National Wholesale Market (NWM)

AMB has been assigned with the responsibility of operating and managing the NWM and several consultative meetings were organised with all stakeholders. The Management is confident on the successful implementation of the project.

b) Subsidies to growers of onions and potatoes

AMB made provisions for subsidised selling prices for seed potato and onion. A 50% rebate on the selling prices were offered to growers for Campaign 2020. Subsidies to the tune of MUR 17.2 M were disbursed with a view of boosting the local production of potatoes and onions for food security reasons.

c) Registration of small dealers during COVID-19 lockdown period

AMB took the initiative to register some 400 small dealers in April 2020 as some unscrupulous dealers were hoarding onions and potatoes and practising high prices. It ensured that potatoes, onions and garlic were available in sufficient quantities and at recommended selling prices across the island.

d) Marketing of State Trading Corporation (STC) products

AMB has started the marketing of STC products namely Basmati Rice 1121, Long Grain White Rice, White Wheat Flour and Brown Bread Flour at its Moka Outlet.

Social Undertakings

In our attempt to support and empower children of farmers, AMB sponsored the last edition of the Educational Achiever Award Scheme at the SFWF. During COVID-19, AMB also donated potatoes, onions and garlic to charitable institutions and shelters.

Forthcoming project in pipeline: Agro processing Unit

AMB will soon set up an agro processing unit on a pilot basis at Moka for the processing of French fries and wedges.

On a final note, I wish to express my appreciation to the Minister of Agro Industry and Food Security, the Chairman and Members of the AMB Board, our stakeholders and employees for their continuous and valued support.

G Oree

Gowkaran OREE

28th September 2020

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.

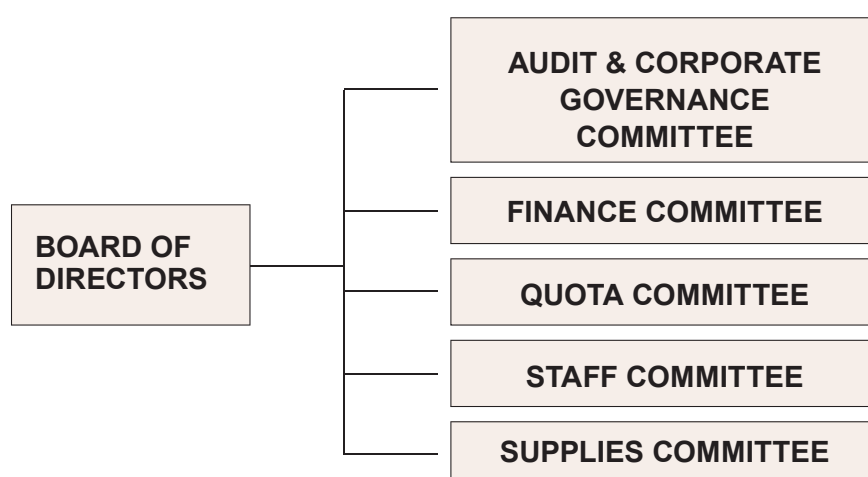
Principle ONE – GOVERNANCE STRUCTURE

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



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:

- a) developing and recommending 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;
- b) monitoring the organization's performance and keeping the Board regularly and appropriately informed; and
- c) fostering 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.

4. Management Team

General Manager	Mr. G. Oree	BCom Management PGCE
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	MBA (General) BSc Information Systems
Internal Auditor	Mrs. G. Nothoo	ACCA

PROFESSIONAL SERVICES

- a) **AUDITOR** The National Audit Office
- b) **BANKERS** State Bank of Mauritius Ltd.
Barclays Bank Ltd. MauBank Ltd.
Bank One td.
Banque des Mascareignes
SBI (Mauritius) Ltd.
- c) **CONSULTANTS** Servansing-Jadav & Partners
Consulting Engineers Ltd.

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 coming from diverse business backgrounds provide a blend of knowledge, skills, experience and commitment to make sound judgments on various key issues relevant to the business of the AMB.

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

Ex-Officio

Mrs. I. Rugjee (till 09.01.20) Representative of the Ministry of
Agro Industry and Food Security

Mrs. S. Soborun (as from 09.01.20)

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

Mrs. B. F. Chamroo-Jaddoo Representative of the Ministry of Commerce and
Consumer Protection

Mr. L. M. Monvoisin Registrar of Co-operative Societies

Independent Members

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

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 2019/2020

	Board	Finance Committee	Supplies Committee	Staff Committee	Quota Committee	Audit & Corporate Governance Committee	Fees Paid to members (MUR)
Total number of meetings	10	5	23	7	2	2	
Dr. K. Payandi Pillay	10						305,232
Mrs. I. Rugjee	5	3	13	4	1		30,591
Mrs. K. Jugroo (alternate)	1						952
Mr. V. Ramkelawon	4	5	15			2	19,540
Mr. S. Soborun	4	2	10	3	1		18,691
Mrs. F. Chamroo-Jaddoo	7		18	5			22,677
Mr. L. M. Monvoisin	8	4	3				10,899
Mr. S. S. A. M. Goolaub	9		16		2	1	20,488
Mr. H. Woodun	9	1		1		1	13,735
Mr. M. P. Bisesar	9				2		8,193
Mr. L. Seegoolam	9	5				2	12,413
Mr. N. Nabeeamode	10			7			18,648
Mr. B. K. Seetaram	7		11		2		14,237
Mrs. J. Sauzier	8			4			10,144
Total							486,900

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.

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;
- reviewing the Board's policies and practices on corporate governance and make recommendations to the Board;
- monitoring the training and continuous professional development of employees 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 Senior Management;
- reviewing the Stakeholders' Communication Policy on a regular basis and to make recommendations to the Board where appropriate to enhance effective communications between the AMB 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

Audit and Corporate Governance Committee – Composition

Chairperson

- | | |
|-------------------|---|
| Mr. V. Ramkelawon | – Representative of the Ministry of Finance,
Economic Planning and Development |
|-------------------|---|

Members

- | | |
|-------------------------|---|
| Mrs. F. Chamroo-Jaddoo | – Representative of the Ministry of 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 the AMB;
- 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 (till 09.01.20) | – Representative of the Ministry of Agro-Industry |
| Mrs. S. Soborun (as from 09.01.20) | and Food Security |

Members

- | | |
|-------------------------|---|
| Mr. L. M. Monvoisin | – Registrar of Co-operative Societies |
| Mr. V. Ramkelawon | – Representative of the Ministry of Finance,
Economic Planning and 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.

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; and
- that the country's annual import requirements and the Strategic Buffer Stock required to cater for any unforeseen climatic conditions are met.

Quota Committee – Composition

Chairperson

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

Members

Mrs. I. Rugjee (till 09.01.20) – Representative of the Ministry of
Mrs. S. Soborun (as from 09.01.20) 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 (till 09.01.20) – Representative of the Ministry of
Mrs. S. Soborun (as from 09.01.20) Agro- Industry and Food Security

Members

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

Supplies Committee – Terms of Reference

The Supplies Committee decides, in consultation with Management, about the procurement of all Controlled Products in terms of 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 (till 09.01.20)	– Representative of the Ministry of
Mrs. S. Soborun (as from 09.01.20)	Agro - Industry and Food Security

Members

Mrs. F. Chamroo-Jaddoo	– Representative of the Ministry of 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

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, Planning and Economic Development
- d) A representative of the Ministry of Commerce and Consumer Protection
- e) The Registrar of Co-operative Societies or his representative
- f) Not more than seven or 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.

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.

LEGAL DUTIES

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

CODE OF ETHICS

Both members and employees are apprised of the obligations to comply with the AMB'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 (IPSASs).

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 AMB. 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 Committee 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.

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 AMB'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 well-being and empowerment, as well as operational excellence through innovation and work towards market success.

Financial Capital

The organization is self-sufficient 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 organisation 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, it 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, it 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 to the AMB.

Environment

In its endeavour to continually preserve the environment and manage its operations, the AMB has embarked on a series of environmental projects so as to sustain a greener economy. The AMB has implemented a Rain Water Harvesting System to collect rain water for container's washing and cleaning purposes. The AMB has replaced flood lights / fluorescent lights with led to reduce the energy consumption.

Political and Charitable Donations

The AMB is a self-financed institution. However, following the decision of the Government of Mauritius to enforce a complete lockdown to tackle the spread of Covid-19, solidarity measures were taken by the AMB for the vulnerable groups. In this context, it provided around 25,500 packs of onion, garlic and potato (1 Kg each), free of charge, to these groups.

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, onion, 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

The organization has 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 and 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;
- 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 its auditors are rotated every 3 years. The Audit and Corporate Governance Committee reviews the appropriateness of accounting standards and makes appropriate estimates and judgment which are in line with 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 MUR 400,000/- for the year 2019/20 has been made for the remuneration of the external auditors.

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. 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 AMB 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 AMB ensures at all times that the dealers distribute its products diligently to customers.

Parent Ministry

The AMB operates under the aegis of the Ministry of Agro Industry and Food Security and assist in latter’s mission to improve food security and safety to ensure sustainable development, continued economic growth and social development. Different Seed Purchase Schemes have thus been set up by the AMB in consultation with the Ministry to alleviate the significantly high financial costs involved in the purchase of seeds by providing a source of funding to small growers. The AMB also manages a Freight Rebate Scheme to promote the exportation of agricultural products and increase production of fruits, vegetables and flowers.

National Plant Protection Office (NPPO)

The NPPO is mandated and empowered to give import permit to the AMB for the import of Controlled Products.

Food and Agriculture Research and Extension Institute (FAREI)

FAREI conducts research and provides extension service in the non-sugar crop sector. FAREI is also the certification body for the local seeds marketed by AMB. Assessment and follow up on the local harvest of potatoes, onions and garlic are also done by FAREI.

Small Farmers Welfare Fund (SFWF)

The SFWF registers planters to be eligible for the Seed Purchase Schemes and Freight Rebate Scheme.

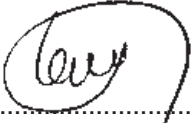
Financial Partners

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 Company's website.

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.....

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

Signature.....

Name: **S.D. Soborun**
Board Member

Date : 26th August 2021

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. Dr. Pillay joined the AMB in May 2015 as Chairman of the Board.

MRS. SOONDAREE DEVI SOBORUN (Ex-Officio Member)

Mrs. Soondaree Devi Soborun, holds a Master's degree in Public Sector Management in addition to a Bachelor Degree in Economics and a Post Graduate Certificate in Quality Management and Performance Excellence. She has wide experience in the public sector in various fields such as shipping, broadcasting and general administration. She is currently Deputy Permanent Secretary at the Ministry of Agro Industry and Food Security. Mrs. Soborun joined the AMB in January 2020 as member of the Board.

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. Ramkelawon joined the AMB in March 2018 as member of the Board.

MR. LOUIS MARIO MONVOISIN (Ex-Officio Member)

Mr. M. Monvoisin holds a Diploma in Cooperative Studies, BSc Computing and Information Systems, and a Post Graduate Diploma in Human Resource Management. He has wide experience in the co-operative sector and is currently Registrar of Cooperative Societies. Mr. Monvoisin joined the AMB in 2014 as member of the Board.

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

Mrs. B. F. Chamroo-Jadoo 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. Mrs Chamroo-Jadoo joined the AMB in March 2015 as member of the Board.

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. Mrs. Sauzier joined the AMB in May 2015 as member of the Board.

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. Woodun joined the AMB in May 2015 as member of the Board.

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 Assistant Director of FAREI.

Mr. Goolaub joined the AMB in May 2015 as member of the Board.

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 onion, garlic and other vegetables. Mr. Bisesar joined the AMB in May 2015 as member of the Board.

MR. NAGUIB NABEEAMODE (Independent Member)

Mr. N. Nabeeamode is a member of Southern Planters' Association. He has wide experience in the plantation of potato and other vegetables. Mr. Nabeeamode joined the AMB in May 2015 as member of the Board.

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. Seegoolam joined the AMB in May 2015 as member of the Board.

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 AMB having worked previously for 25 years in the organization. Mr. Seetaram joined the AMB in May 2015 as member of the Board.

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 it deems necessary. Any deviations there from are 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 External Auditors are responsible for reporting on whether the financial statements are fairly presented.


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

- (a) adequate accounting records and an effective system of internal controls and risk management have been maintained,

- (b) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently,
- (c) the Code of Corporate Governance has been adhered to where applicable.

Statement of Directors' Responsibilities

Throughout the year 30 June 2020, to the best of the Board's knowledge, the Company has applied most of the recommendations of the code and measures will be taken, during the next financial year, to address the parts which have not been complied with during this financial year. International Financial Reporting Standards have been adhered to.

Signature.....

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

Signature.....

Name: **S.D. Soborun**
Board Member

Date : 26th August 2021

OPERATIONAL REVIEW

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

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

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

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.



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 are stored in cold rooms, the temperature and humidity are controlled, with a view to optimize the quality of the products thereby extending their shelf life.

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

(ii) Airport Cold Store

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

The storage capacity at the Airport Cold Store is 1,600 m³. The temperature goes down to +2° Celsius except for one cold room of capacity 330 m³, which goes down to -8° Celsius. The Airport Cold Store offers a 24/7 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 -35° Celsius.

(iv) Cluny Store

AMB's cold store at Cluny, which has a storage capacity of 2,000 tonnes, had been leased to Vita Rice Ltd up till end March 2019. The store will soon undergo renovation works.

(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.

AMB'S RETAILING UNITS

	LOCATION	DAYS	STALLS NO.
1	Quatre Bornes Fair	Wednesdays and Saturdays	215
2	Vacoas Fair	Tuesdays and Fridays	457, 458
3	Curepipe, Forum	Wednesdays and Saturdays	56
4	Curepipe, Jan Palach	Mondays, Tuesdays and Thursdays	68, 69
5	Rose Hill Central Market	Tuesdays	58
6	Chemin Grenier Fair	Wednesdays and Sundays	
7	Rose Belle Fair	Wednesdays and Sundays	
8	Moka Retail Outlet	Every day except Sundays	
9	Quartier Militaire Retail Outlet	Sundays	
10	Rivière des Anguilles Retail Outlet	Saturdays	
11	Vallée Des Prêtres Retail Outlet	Thursdays and Saturdays	
12	Montagne Blanche Retail Outlet	Saturdays	
13	Triolet Retail Outlet	Every day except Sundays	
14	St Pierre Market Fair	Wednesdays and Sundays	257, 258
15	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 local potato industry 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) and 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 campaign 2019.

For the campaign 2019, 638 tonnes 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 2019/20

PRODUCER	Quantity (t)
	Spunta
Terragri Ltd.	234.860
D K Agro Alimentaire Co Ltd.	109.230
ENL Agri Ltd.	115.470
Senneville Agricultural Ltd	25.280
Cie. Sucrière de St Antoine	153.890
Total	638.730

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 2019.

IMPORT OF SEED POTATO FOR WARE PRODUCTION – FOR CAMPAIGN 2019

Producer	Variety	Qty (t) - 2019/20	Supplier	Origin
AMB	Imp Spunta	25	HZPC	The Netherlands
		75	Southern Packers	Australia
	Safari	68.5	Southern Packers	Australia
	Everest	7.5	Stet Holland	The Netherlands
	Delaware	175	Southern Packers	Australia
	Mondial	25	Southern Packers	Australia
Sub - total		426		
MCA c/o Bluefrog	Spunta E35/55	220	Stet Holland	The Netherlands
	Spunta E35/55	137.5	TPC	The Netherlands
	Spunta	52	Southern Packers	Australia
Sub - total		409.5		
Cope Sud	Spunta	75	Southern Packers	Australia
	Delaware	250	Southern Packers	Australia
	Delaware	182	Fox Farming	Australia
	Spunta	26	Fox Farming	South Africa
	Mc Russet	1	Southern Packers	Australia
	Spunta	163.625	Sceau du Fayet	France
	Cara	1.375	Sceau du Fayet	France
	Electra	3	Wesgrow Ltd	South Africa
	Mondial	3	Wesgrow Ltd	South Africa
	Pannamera	3	Wesgrow Ltd	South Africa
	Sababa	3	Wesgrow Ltd	South Africa
Sub - total		711		
Medine SE	Spunta	83	Sceau du Fayet	France
ENL Agri Ltd	Spunta	165	Sceau du Fayet	France
Bel Air SE	Spunta	27.5	Sceau du Fayet	France
Cie de Gros	Spunta	110	Sceau du Fayet	France
Cailloux Ltee				
Sub - total (Private Imports)		1506		
Grand - Total		1932		

COST OF IMPORTED SEED POTATO FOR WARE PRODUCTION BY AMB FOR PERIOD 1 JULY 2019 - 30 JUNE 2020

Variety	Origin	Average Price C & F (MUR/t)	Invoice Quantity (t)
Spunta (Oversize)	Western Australia	34,542.45	2
Spunta (Normal)	Western Australia	37,285.25	50
Safari	The Netherlands	33,976.80	50
Everest	The Netherlands	15,246.00	2
Oversize Delaware	Western Australia	32,100.30	15
<50 gms Spunta	Western Australia	40,228.45	13
Mondial	South Africa	31,933.54	74.4
Total			206.4

SALE OF SEED POTATO FOR WARE PRODUCTION FOR CAMPAIGN 2019

Producer Groups	Spunta (t)		Delaware (t)	Mondial (t)	Everest (t)	Safari (t)	Total (t)
	Local	Imported					
Small Planters	380.6	46.1	97.5	17.0	6.2	26.4	573.8
FAREI	1.0	0.0	0.2	0.0	0.1	0.2	1.4
Sugar Estates	128.9	0.0	4.5	0.0	1.0	25.0	159.4
RTMC	10.0	0.0	0.0	0.0	0.0	0.0	10.0
Total	520.5	46.1	102.2	17.0	7.3	51.6	744.6

SALE OF SEED POTATO FOR SEED PRODUCTION

For Campaign 2019, 109.85 t of the Basic Spunta seeds (calibre 28/35mm) were imported from the Netherlands and allocated for seed production at the selling price of MUR 60,000/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 E	The Netherlands	51,394.50	72.5

BEAN SEEDS

For the period, 1 July 2019 to 30 June 2020, the AMB procured 4 tonnes of the popular Long Tom 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	170,838.27	4

SALE OF BEAN SEEDS BY AMB FOR PERIOD 1 JULY 2019-30 JUNE 2020

MONTH	QUANTITY (kg)
July 2019	690.5
August 2019	695
September 2019	426.5
October 2019	181.5
November 2019	180.5
December 2019	166.5
January 2020	446.5
February 2020	110.5
March 2020	265.5
April 2020	605.5
May 2020	849.0
June 2020	607.5
TOTAL	5,225

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 2019 - 30 JUNE 2020

Variety	Price (MUR/ kg)	QUANTITY (kg)
Noflaye	4,400	48
Bellarose Grade II	4,400	61.5
Bellarose Grade III	3,400	20
Francia Grade I	6,000	157.5
Francia Grade II	5,500	17
Francia Grade III	5,000	9
Star 5529	6,400	57
TOTAL		370

GARLIC SEEDS

So as to continue with the Government policy to increase local production of garlic, the AMB purchased 7632 kg of garlic to be used as seeds from local producers at MUR 135/kg for period 1 July 2019 - 30 June 2020. Garlic Seeds were sold at a subsidized price of MUR 105/kg.

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 2019 - 30 June 2020, 14,721 tonnes of table potatoes were harvested.



MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (ha)	Quantity (t)	Quantity (t)
July 2019	29.9	628	-
August 2019	111.5	2,292	-
September 2019	135.4	3,066	-
October 2019	183.9	3,987	-
November 2019	144.1	2,849	-
December 2019	98.6	1,865	-
January 2020			-
February 2020			972.00
March 2020			1,260.6
April 2020	6.8	35	2,964.15
May 2020			1,372.00
June 2020			448.00
Total	710.2	14,721	7,016.75

Source: Statistics Mauritius & AMB

IMPORTS OF TABLE POTATOES

As in previous years, import of table potatoes was undertaken by both AMB and private importers for the period 1 July 2019 - 30 June 2020. 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, the AMB imported 7,016.75 tonnes of table potatoes while private parties imported 2,801 tonnes.

IMPORTS & COST OF IMPORTS OF TABLE POTATOES

Country of Origin	Quantity (t)	Weighted Average C&F (MUR/t)
India	4,760	18,460.64
Australia	84.6	26,140.10
Egypt	2,172.15	24,314.29

The weighted average cost of imports (C&F) for the AMB for period, was MUR 20,365.32/t.

SALE OF TABLE POTATOES BY AMB

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

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 2019 - 30 June 2020, 3,219 tonnes of onions were harvested.



MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (ha)	Quantity (t)	Quantity (t)
July 2019	0.8	8	-
August 2019	2.4	30	1,085.95
September 2019	67.8	644	612.00
October 2019	81.4	1,021	1,491.43
November 2019	74.8	1,324	140.00
December 2019	17.1	192	1,233.83
January 2020			952.00
February 2020			1,440.00
March 2020			754.00
April 2020			2,744.00
May 2020			444.00
June 2020			224.00
Total	244.3	3,219	11,121.21

Source: Statistics Mauritius & AMB

PURCHASE OF LOCAL ONIONS BY AMB

For the period, AMB purchased 101.6 tonnes of local onions from planters.

IMPORTS AND COST OF IMPORTS OF ONIONS FOR PERIOD 1 JULY 2019 - 30 JUNE 2020

Country of Origin	Quantity Imported (t)	Average Cost C&F (MUR/t)
The Netherlands	4,324.00	27,194.77
India	3,724.00	24,893.77
Egypt	2,461.21	21,420.73
South Africa	414.00	19,730.39
Madagascar	198.00	24,893.77

The weighted average cost of imports (C&F) for AMB for period was MUR 23,015.65/t.

IMPORTS BY AMB AND PRIVATE IMPORTERS

In order to ensure regular supply on the local market, onions were imported for the period both by the AMB (11,121.21 tonnes) and private parties (3,977 tonnes).

ONIONS FROM RODRIGUES

AMB continued to purchase onions from Rodrigues at floor price. For the period a total of 12.781 tonnes was 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 conducted by private parties. However, upon depletion of the stock of the private operators, sales at AMB rose again. During the local harvest period, dealers procured onions directly from planters.

GARLIC

The AMB continued to ensure regular supply of garlic on the local market through imports since local production remained at a low level. With the Garlic Seed Purchase Scheme, the AMB sold local garlic planting material for multiplication. Local production of garlic was 48 tonnes.



LOCAL PRODUCTION AND IMPORTS

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (ha)	Quantity (t)	Quantity (t)
July 2019	-	-	168
August 2019	0.3	2	112
September 2019	3.8	26	224
October 2019	3.4	20	168
November 2019		-	112
December 2019		-	168
January 2020	-	-	224
February 2020			84
March 2020			192
April 2020			452.92
May 2020			190
June 2020			-
Total	7.5	48	2,094.92

Source: Statistics Mauritius & AMB

The sale of garlic averaged 160 tonnes monthly.

OTHER PRODUCTS

IMPORTS FOR THE PERIOD 1 JULY 2019 - 30 JUNE 2020

CARDAMOMS

ORIGIN	IMPORT
	Quantity (t)
India	0.2



TURMERIC POWDER



ORIGIN	IMPORT
	Quantity (t)
India	8

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. The AMB imported 127,835 units of 100 ml, 29,325 units of 150 ml and 93,372 units of 200 ml glass jars and caps.

POLYMESH BAGS



For the period 1 July 2019 to 30 June 2020, 672,000 units of polymesh bags were imported by AMB for its own use as well as for sale to planters. 2,040 rolls of tubular nets and 1,159.5 kg of clipping wires were also imported for use by the packing machine.

CARROTS, BEANS, CABBAGES, COCONUT & LEMONS

As local production was affected due to adverse weather in Mauritius, AMB imported the following vegetables:

- ◆ 59.4 tonnes of carrots from South Africa and India;
- ◆ 19.936 tonnes of beans from India;
- ◆ 47.5 tonnes of cabbages from India;
- ◆ 82,399 lemons from Madagascar and local supplier
- ◆ 1,968 coconuts from Madagascar





**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Agricultural Marketing Board
for the year ended 30 June 2020**

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE AGRICULTURAL MARKETING BOARD

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Agricultural Marketing Board, which comprise the statement of financial position as at 30 June 2020 and the statement of financial performance, statement of changes in net assets/equity, statement of cash flow and statement of comparison of budget and actual amounts 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 2020, 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.

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 International Public Sector Accounting Standards, 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:

- (a) 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;
- (b) 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;
- (c) 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;
- (d) in my opinion, the Agricultural Marketing Board has been applying its resources and carrying out its operations fairly and economically; and
- (e) 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.

As far as it could be ascertained from my examination of the relevant records, the Agricultural Marketing Board has complied with the Statutory Bodies (Accounts and Audit) Act and directions of the responsible Minister in so far as they relate to the accounts.

Based on my examination of the records of Agricultural Marketing Board, nothing has come to my attention that causes me to believe that:

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

Other Matter

The financial statements for the financial year ended 30 June 2020 were received at my Office on 29 October 2020. Following audit, management was informed on 21 June 2021 of amendments to be made to the financial statements. The amended financial statements were submitted on 30 August 2021

Public Procurement Act

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



C. ROMOOAH
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

13 September 2021

AGRICULTURAL MARKETING BOARD

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	"Year ended 30 June 2020"	"Year ended 30 June 2019"
ASSETS		MUR	MUR
Current Assets			
Cash and cash equivalents	4	501,554,710	106,212,232
Cash - Food Security Fund Scheme	4.1	21,235,872	16,062,311
Fixed Deposit Investment	5	-	600,000,000
Receivables	6	74,353,955	83,457,663
Loans receivable	6.1	829,170	851,933
Inventories	7	120,493,942	84,399,365
		718,467,649	890,983,504
Non-Current Assets			
Loans receivable	6.1	2,509,004	3,280,726
Property, plant and equipment	9	198,399,683	216,029,617
Assets under construction	9.1	856,750	621,000
Land	9.2	5,000,000	5,000,000
Intangible assets	8	278,232	442,174
		207,043,669	225,373,517
TOTAL ASSETS		925,511,318	1,116,357,021
LIABILITIES			
Current Liabilities			
Trade and other payables	10	42,416,127	23,940,426
Short-term Employee benefits	10.1	3,048,639	5,546,181
		45,464,766	29,486,607
Non-Current Liabilities			
Advance-Food Security Fund Scheme	11	62,709,995	57,709,995
Employee Benefits	12	30,970,503	28,959,707
Retirement benefit obligations	13	179,825,380	162,421,435
Voluntary Retirement Scheme	14	1,120,766	1,877,773
		274,626,644	250,968,910
TOTAL LIABILITIES		320,091,410	280,455,517
NET ASSETS		605,419,908	835,901,503
NET ASSETS/EQUITY			
Trading Equalisation Reserve		423,833,407	653,889,745
Grant - Food Security Fund Scheme	11.1	2,048,930	2,474,188
Revaluation reserves		179,537,571	179,537,571
TOTAL NET ASSETS/EQUITY		605,419,908	835,901,503

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

These financial statements were approved by the Board of the AMB on 26th August 2021


CHAIRMAN
K PAYANDI PILLAY


BOARD MEMBER
V RAMKELAWON

AGRICULTURAL MARKETING BOARD

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	"Year ended 30 June 2020"	"Year ended 30 June 2019"
		MUR	MUR
<u>Revenue</u>			
<i>Revenue from Non Exchange Transactions</i>			
Administrative fee		321,420	453,580
Strategic Buffer Fee		14,300,402	17,301,600
		14,621,822	17,755,180
<i>Revenue from Exchange Transaction</i>			
Turnover	15	851,585,988	797,096,464
Other Income	16	44,145,039	65,398,615
		895,731,027	862,495,079
TOTAL REVENUE		910,352,849	880,250,259
<u>Expenses</u>			
Cost of sales	17	710,303,144	495,366,395
Staff costs	18	81,814,011	83,808,136
Administrative Expenses	19	63,577,297	61,910,794
Other Expenses	20	36,261,107	32,109,558
TOTAL EXPENSES		891,955,559	673,194,883
Surplus for the year		18,397,290	207,055,375

NB: MUR 225M was transferred to Consolidated Fund

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

AGRICULTURAL MARKETING BOARD

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Trading Equalisation Reserve	Revaluation reserve	Grant-Food Security Fund	Total Net Assets/Equity
	MUR	MUR	MUR	MUR
Corrected balance as at 1st July 2018	453,808,477	179,537,571	-	633,346,048
Net surplus for the year	207,055,375	-	-	207,055,375
Adjustment 2018-19-Debtors overstated	(6,787,061)	-	-	(6,787,061)
Grant - Food Security Fund Scheme	-	-	2,474,188	2,474,188
Adjustments as at 30.06.19	(187,046)	-	-	(187,047)
Balance at 30 June 2019	653,889,745	179,537,571	2,474,188	835,901,503
Net surplus for the year	18,397,290	-	-	18,397,290
Transfer to Consolidated Fund	(225,000,000)	-	-	(225,000,000)
Prior Year Adjustments (Note 22)	4,058,944	-	(425,258)	3,633,686
Direct benefits paid by SICOM	946,903	-	-	946,903
Remeasurement of SICOM pension fund	(28,459,475)	-	-	(28,459,475)
Balance at 30 June 2020	423,833,408	179,537,571	2,048,930	605,419,909

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 2020

	"Year ended 30 June 2020"	"Year ended 30 June 2019"
	MUR	MUR
Cash flow from operating activities		
Net surplus for the year	18,397,290	207,055,375
Adjustments for Non- Cash movements:-		
Depreciation & amortisation	30,545,429	30,110,410
Increase in retirement benefit obligations-IPSAS 39	2,771,373	(130,934,472)
Employees benefit	2,813,816	289,331
Uncertified seeds	(355,642)	(63,046)
Impairment	46,171	(6,000)
Prior year adjustments	(4,058,944)	-
Other Non Cash Items	4,545,228	(2,348,392)
Adjustment payables imports-Bad debts	-	(6,822,888)
Adjustment retirement benefit scheme	-	126,100,000
Foreign exchange loss/(gain)-payables	3,147,462	266,752
Operating surplus before working capital changes	57,852,183	223,647,069
Decrease in trade and other receivables	9,103,708	46,346,347
Increase in inventories	(36,094,577)	(12,481,682)
Decrease in VRS	(757,007)	(1,165,441)
(Increase)/Decrease in staff loans	794,485	(285,334)
Decrease in trade and other payables	15,978,159	8,602,995
Interest receivable-others	(6,558,823)	(11,736,434)
Net cash flows from operating activities	40,318,127	252,927,519
Cash flows from investing activities		
Acquisition of property, plant and equipment	(12,724,120)	(15,775,753)
Purchase of Intangible assets	(73,601)	(195,480)
Proceeds from disposal of non current assets	-	6,000
Assets Under Construction	(856,750)	(621,000)
Interest received	6,558,823	11,736,434
Net cash from investing activities	33,222,480	248,077,720
Cash flows from financing activities		
Transfer to SICOM fund-IPSAS 39	(12,880,000)	-
Transfer to consolidated fund	(225,000,000)	-
Net increase in cash and cash equivalents	(204,657,521)	248,077,720
Movements in cash and cash equivalents		
Cash and cash equivalents as at 1 July 2019	706,212,232	458,134,512
Cash and cash equivalents as at 30 June 2020	501,554,710	706,212,232
Net increase/(decrease) in cash and cash equivalents	(204,657,522)	248,077,720

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

AGRICULTURAL MARKETING BOARD

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2020

	Original Budget	Revised Budget	Difference between Original and Revised Budget	Actual	Difference between Revised Budget and Actual
			2019/2020		
	A	B	(B-A)	C	(C-B)
<u>Revenue</u>			MUR		
Revenue from Non Exchange Transactions					
Administrative fee	300,800	403,020	102,220	321,420	(81,600)
Strategic Buffer Fee	16,570,400	21,778,400	5,208,000	14,300,402	(7,477,998)
	16,871,200	22,181,420	5,310,220	14,621,822	(7,559,598)
Revenue from Exchange Transactions			-		
Turnover	753,770,300	802,041,715	48,271,415	851,585,988	49,544,273
Commission on By-Catch Fish	2,450,000	2,881,618	431,618	3,105,859	224,241
Interest on bank balances and bank deposits	4,176,000	4,730,620	554,620	6,274,959	1,544,339
Interest on staff Loan	150,000	150,000	-	162,885	12,885
Rental Income	25,240,000	25,666,394	426,394	30,612,978	4,946,584
Compensation from suppliers	-	-	-	1,898,252	1,898,252
Finance Income - Outstanding Receivables	100,000	100,000	-	120,979	20,979
Insurance Claims	-	-	-	91,690	91,690
Uncertified Seeds	-	-	-	355,642	355,642
Other Income	360,000	1,614,164	1,254,164	1,521,796	(92,368)
	786,246,300	837,184,511	50,938,211	895,731,028	58,546,517
TOTAL REVENUE	803,117,500	859,365,931	56,248,431	910,352,850	50,986,919
<u>Expenses</u>			-		
Cost of sales	551,498,880	620,212,996	68,714,116	710,303,144	90,090,148
Staff costs	108,289,240	107,889,240	(400,000)	81,814,011	(26,075,229)
Electricity, water and telephone	39,634,000	39,634,000	-	39,330,603	(303,397)
Repairs and maintenance	15,897,880	13,383,209	(2,514,671)	8,088,545	(5,294,664)
Insurance	1,500,000	1,500,000	-	1,247,662	(252,338)
Legal and professional fees	960,000	960,000	-	877,067	(82,933)
Motor vehicles running expenses	1,587,800	1,587,800	-	743,886	(843,914)
Board members fees	1,200,000	1,200,000	-	648,377	(551,623)
Security services	2,400,000	2,993,000	593,000	2,924,409	(68,591)
Consultancy fees	550,000	550,000	-	565,510	15,510
Bad Debts	-	-	-	2,522,045	2,522,045
Other Operating Expenses	27,226,000	29,063,082	1,837,082	5,298,641	(23,764,441)
Other general and administrative expenses	5,465,600	5,479,308	13,708	7,046,232	1,566,924
Depreciation/Amortisation	30,000,000	30,000,000	-	30,545,428	545,428
TOTAL EXPENSES	786,209,400	854,452,635	68,243,235	891,955,560	37,502,925
Surplus/(Deficit) for the year	16,908,100	4,913,296	(11,994,805)	18,397,290	13,483,995
CAPITAL EXPENDITURE(MUR' M)	151.06	151.06	-	12.90	(138.16)

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Principal Activities

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

The AMB 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 AMB 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. Reporting Period

The financial statements have been prepared for the 12 months ended 30 June 2020 with comparative information ended 30 June 2019.

2.1 Adoption of the International Public Sector Accounting Standards (IPSASs)

The AMB 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.

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.

2.2 Standard issued but not yet effective

At date of authorization of the financial statements, the following IPSAS were in issue but not yet effective for financial statements beginning on 1 July 2019:

IPSAS 41- Financial Instruments

IPSAS 42- Social Benefits

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

IPSAS 41 will replace IPSAS 29 –Financial instruments:

Recognition and Measurement as from 01 January 2022 and the objective is to establish new requirements for classifying, recognizing and measuring financial instruments. It is expected that adoption of the new principles based on approach to classification and measurement will not have a major impact on the financial statements of AMB.

IPSAS 42 - Social Benefits:

It will be effective as from 01 January 2022 and the objective is to help users of financial statements to assess the nature of social benefits provided by an entity, the features of the operation of social benefit scheme and impact of the social benefits on the entity's financial performance, financial position and cash flows.

This standard will not have an impact on the financial statements of AMB.

2.3 Accounting Policies

(a) 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 (MUR) because this is the currency of the primary economic environment in which the AMB operates

(b) 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.

(c) Inventories

Inventories are stated at the lower of cost and 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 of **423 tonnes** of produce amounting to some **MUR 12.5 M** and damages amounting to some **MUR 5.3M** were accounted as expenses and cost of inventories were reduced.

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2.3 Accounting Policies (Cont'd)

No provision was made for COVID 19 and AMB needed to make additional purchase of imported onions, imported potatoes and imported garlic due to COVID 19. As at 30 June 2020 the closing stock of onions was 1712 tonnes at cost MUR 35.4 M, potatoes 4084 tonnes at cost MUR 28.7 M and garlic 344 tonnes at cost MUR 27.7M. Thus, the operating profit has been decreased with the increase in stock of agricultural products by MUR 35.7M compared to last year.

(d) 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.

The gains or losses arising on disposal or retirement of an item of property, plant and equipment is determined by 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.

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2.3 Accounting Policies (Cont'd)

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 AMB estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) 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.

(f) 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 AMB'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.

(g) 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 (MUR) which is the AMB'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 MUR at the exchange rate ruling at the statement of financial position date. Exchange difference arising from the translation

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2.3 Accounting Policies (Cont'd)

of foreign currency balances are dealt with in the statement of comprehensive income. The AMB has forward purchased its garlic requirements for the past few years. The prices of garlic on the international market are at its lowest in the month of July and rise thereafter as the harvest period of garlic in China, our most economic source of procurement, is from May to August.

(h) 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.

(i) Trade Payables

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

(j) 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 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

AMB 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.

(k) 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.

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2.3 Accounting Policies (Cont'd)

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 MUR 1.5 M was treated as short term facilities to provide for any forthcoming payments of passage in the next fiscal year.

(I) Provisions/Contingent Liabilities and Assets

(i) Provisions

Provisions are recognized when the AMB 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 AMB's best estimate of the expenditure required to settle the obligation at the end of the reporting year. Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

(ii) Contingent Liabilities 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.

(m) Financial Instruments

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

Financial Assets and Financial Liabilities are recognized on AMB's Statement of Financial Position when it 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.

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2.3 Accounting Policies (Cont'd)

(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 Fair Value Through the Statement of Profit or Loss. (FVTPL).

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

(n) Financial Abilities and Equity Instruments

(i) Classification as debt or equity

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

(ii) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by AMB 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.

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2.3 Accounting Policies (Cont'd)

(iv) De-recognition of Financial Liabilities

The AMB derecognizes financial liabilities when, and only when, its obligations are discharged, cancelled or when they are expired.

(o) Risk Management Policies

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

(ii) Credit risk

The AMB'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 AMB, there is no significant concentration of credit risk with exposure spread to a large number of customers. The AMB 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 AMB's interest risk arises from cash at bank and bank overdraft. It has no other exposures to interest rate risk. These risks are to some extent mitigated as it maintains 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 AMB 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. Sensitivity analysis in respect of market risk demonstrate the effect of change in a key assumption

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2.3 Accounting Policies (Cont'd)

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 be sold below their cost. There is also a policy for AMB to hold buffer stock during the whole year and products are to be sold for long periods, thereby leading to impairment in stocks and considerable loss in sales value.

(vii) Legal Risk

- (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 by the Board) which may attract a civil or criminal fine.
- (c) Failure to protect the AMB'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 AMB identifies and manages legal risk through effective use of its legal adviser.

(p) Borrowing costs

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

(q) 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.

(r) 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.

(s) Food Security Fund

The amount of MUR 21,235,872 represents fund provided by the Ministry of Agro Industry and Food Security and refund from debtors under the Seeds Purchase Scheme.

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 AMB's accounting policies, which are described in note 2.4, it 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 year

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

When determining the carrying amount of non-current assets, same 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 AMB has used historical information in order to best determine the useful lives and residual values of non-current assets

(ii) Provision 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.

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3.3. Comparison of Budget with Actual

(i) **Revenue** - The difference of **MUR 52.09M** in revenue is explained as follows:

REVENUE	MUR/ M
Decrease in revenue from Non-Exchange Transactions due to COVID -19	(7.55)
Increase in Turnover	49.55
Increase in commission By-catch	0.15
Interest on bank deposits and balances	1.54
Increase in Rental Income	4.87
Compensation from suppliers	1.89
Increase in Provision for Doubtful debts	1.4
Increase in other income	0.247
TOTAL	52.09

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 (**MUR 1.89 M**) and Provision for Doubtful debts (**MUR 1.4 M**) as same were not expected at time of preparation of Budget following the prudence concept.

No provision was made for COVID 19 and AMB had to purchase additional quantity of 1512 tonnes of imported onions, 3020 tonnes of imported potatoes and 737 tonnes of imported garlic for food security reasons to cater for unforeseen circumstances.

(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 30 June 2020 consequently both budget and Financial Statement is aligned to the same period.

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

(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:

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- **Cost of sales** - The original estimate was **MUR 551.5 M** and due to the forecast for an increase in the purchase of produces, the cost of sales has been revised to **MUR 620.2 M**. Taking into consideration the fluctuation in purchase price and the additional purchase due to COVID 19 the cost of sales was understated by **MUR 90 M**.
- **Salaries and staff costs** - The net decrease in staff costs of **MUR 2.4 M** is mainly due to the decrease in liability recognized in the statement of financial position as per the Actuarial Report from SICOM. Actual expenditure also includes a provision for bank of sick leave and vacation leave respectively.
- **Electricity, water and telephone** - The original estimate was **MUR 39.6 M** and a net saving of **MUR 0.3 M** was made.
- **Repairs and Maintenance** - Savings of **MUR 5.29 M** 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).
- **Insurance** - The renewal of float of vehicles has been delayed and a net saving of **MUR 0.25 M** was made.
- **Motor Vehicle running expenses** - The renewal of float of vehicles has been delayed and a net saving of **MUR 0.80 M** was made.
- **Other operating expenses** - The original estimates were **MUR 27.2 M** to cater for expenses with regard to NWM and same was revised to **MUR 29.06 M** and due to unexpected circumstances, the project has been delayed and a net saving of **MUR 23.7 M** is noted.
- **Board Members Fee** - Original estimates was **MUR 1.2 M** and due to Covid 19, Board meeting and subcommittees had not met as expected and a net saving of **MUR 0.55 M** was made.
- **Bad debts** – The provision for bad debts was made to cater for debtors with regards to Schemes.
- **Donation** - AMB delivered produce to charitable homes and shelters during Covid 19 free of charge upon the instructions of the Parent Ministry. Some **4,475 kg** of potatoes, **5,265 kg** of onions, **90 kg** of garlic, **25 kg** of ginger and **57 kg** of lemons were delivered.
- **Surplus/Deficit for the year** - There is a surplus for the year of **MUR 18.4 M** compared to forecast of a surplus of **MUR 4.9 M**. No provision was made for COVID 19 and AMB had to purchase additional quantities of imported onions, imported potatoes and imported garlic. Thus, the operating profit has been decreased with the additional stock of agricultural products by **MUR 35.7 M** compared to last year. Shrinkages of 423 tonnes of produce amounting to some **MUR 12.5 M** and damages amounting to some **MUR 5.3M** were accounted as expenses. Sale on tender amount to a shortfall of **MUR 0.5 M**.

Garlic was purchased from other countries other than China, i.e. Spain, Egypt and India at higher cost, while the selling price at AMB was not adjusted or revised in public interest. Moreover, the wholesale price for onions was also maintained.

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	"Year ended 30 June 2020"	"Year ended 30 June 2019"
	MUR	MUR
4 CASH AND CASH EQUIVALENTS		
Cash in hand	25,000	20,000
Cash at bank	501,529,710	106,192,232
	501,554,710	106,212,232
4.1 Cash - Food Security Fund Scheme		
Opening Balance	16,062,311	13,709,856
Funds from Ministry (MOA)	-	2,378,750
Refund	4,294,670	4,996,382
Deposit	880,156	5,283,949
Transfer from FSF	-	(10,305,245)
Bank Charges	(1,265)	(1,380)
Closing Balance	21,235,872	16,062,311
5 FIXED DEPOSIT INVESTMENT		
Short Term Fixed Deposit	-	350,000,000
Government of Mauritius Treasury Certificates	-	250,000,000
	-	600,000,000
6 RECEIVABLES		
Trade Receivables	72,223,214	64,320,132
Other Receivables	-	8,450,343
Prepayments	1,330,741	9,887,188
Refundable Security Deposit	800,000	800,000
	74,353,955	83,457,663
6.1 LOANS RECEIVABLE		
Staff Car Loans	2,950,755	3,816,731
Staff personal Loans	387,420	315,928
	3,338,175	4,132,659
Staff Car Loans:		
Current Assets		
Amount Receivable within one Year	610,610	658,862
Non-Current Assets		
Amount Receivable after one Year	2,340,145	3,157,869
	2,950,755	3,816,731
Staff Personal Loans:		
Current Assets		
Amount Receivable within one Year	218,560	193,071
Non-Current Assets		
Amount Receivable after one Year	168,859	122,857
	387,419	315,928
7 INVENTORIES		
Agricultural products	107,565,149	71,847,379
Stationery	532,462	446,562
Spare parts	12,396,331	12,105,424
	120,493,942	84,399,365
8 INTANGIBLE ASSETS		
Computer Software:		
Cost		
Balance at start of period	1,382,060	1,186,580
Acquisitions	73,601	195,480.00
Balance at end of period	1,455,661	1,382,060
Amortisation and impairment losses		
Balance at start of period	939,887	713,365
Charge for the year	237,542	226,522
Balance at end of period	1,177,429	939,887
Carrying amounts:		
At end of period	278,232	442,173

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Building

	2%	10%	12.5%	10%	12.5%	10%	12.5%	10%	20%	10%	
	Building	Plant and	Stores	Motor	Motor car	Office	Furniture	Computer			Total
	Infrastructure	Infrastructure	equipment	vehicles		equipment	and fittings	equipment		Waterproofing	
	and	machinery	and								
	Infrastructure		palletisation								
	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
At 01 July 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	365,197,241	
Additions	159,301	10,850,365	900,020	-	-	243,018	212,286	359,130	-	12,724,120	
Disposal	-	(93,000)	-	-	-	(36,685)	-	(13,000)	-	(142,685)	
At 30 June 2020	185,454,295	131,033,540	37,734,366	3,642,301	870,000	1,586,837	4,267,216	2,988,834	10,201,288	377,778,676	

DEPRECIATION

At 01 July 2019	50,439,098	73,200,579	18,866,394	2,117,535	489,375	567,987	902,669	1,563,856	1,020,128	149,167,619	
Disposal	-	(69,756)	-	-	-	(13,757)	-	(13,000)	-	96,513)	
Charge for the year	9,857,072	14,215,926	3,742,989	277,230	108,750	193,313	424,759	467,720	1,020,128	30,307,886	
At 30 June 2020	60,296,170	87,346,749	22,609,383	2,394,765	598,125	747,543	1,327,428	2,018,576	2,040,256	179,378,993	

NET BOOK VALUE

At 30 June 2020	125,158,125	43,686,791	15,124,983	1,247,536	271,875	839,294	2,939,788	970,258	8,161,032	198,399,683	
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Note:

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

9.1 ASSETS UNDER CONSTRUCTION

Assets Under Construction amounting to Rs 856,750 includes projects of Photovoltaic Farm at Moka and Asphalt work at Trou Fanfaron Cold store.

9.2 LAND

AMB occupies vested land of an extent of 10,425.50 square metre forming part of State Land Tatayah, situated at Moka

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		"Year ended 30 June 2020"	"Year ended 30 June 2019"
		MUR	MUR
10	TRADE AND OTHER PAYABLES		
	Trade payables	18,181,106	5,104,816
	Other payables	12,532,180	5,114,295
	Accruals	2,364,837	8,320,140
	Deposits on rental of AMB cold rooms	4,398,866	4,847,432
	Payment on account	4,939,137	553,743
		42,416,127	23,940,426
10.1	EMPLOYEE BENEFITS		
	Provision for sick leaves	-	808,000
	Provision for passage benefits	1,464,045	2,500,000
	Provision for vacation leaves	400,000	626,000
	Provision for VRS	1,184,594	1,612,181
		3,048,639	5,546,181
11	Food Security Fund Scheme		
	Opening balance	57,709,995	57,709,995
	Funds from Ministry of Agro Industry and Food Security	5,000,000	-
	Closing balance	62,709,995	57,709,995
11.1	Grant - Food Security Fund Scheme		
	(Being Grant received from Ministry of Agro Industry and Food Security.)	2,048,930	2,474,188

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Year ended 30 June 2020	Year ended 30 June 2019
MUR	MUR

12 EMPLOYEE BENEFITS

The non current liabilities include sick leave, vacation 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

Balance at start

Entitlement for the year

Amount paid during the year

Adjustment on amount accrued

Balance at end

Payable within one year

Non-current liabilities

Payable after one year

14,411,632	14,336,978
518,973	662,715
(276,927)	(605,061)
(808,000)	17,000
13,845,677	14,411,632
-	808,000
13,845,677	13,603,632
13,845,677	14,411,632

(b) The passage benefit is payable as follows:

Trade and other payables from Non-Exchange Transactions

Balance at start

Entitlement for the year

Amount paid during the year

Balance at end

Payable within one year

Non-current liabilities

Payable after one year

3,384,120	3,195,561
1,666,602	1,733,255
(1,464,045)	(1,544,696)
3,586,678	3,384,120
1,464,045	2,500,000
2,122,633	884,120
3,586,678	3,384,120

(c) The vacation leave is payable as follows:

Balance at start

Entitlement for the year

Amount paid during the year

Balance at end

Trade and other payables from Non-Exchange Transactions

Payable within one year

Non-current liabilities

Payable after one year

15,097,955	14,528,838
628,241	1,194,694
(324,004)	(625,577)
15,402,192	15,097,955
400,000	626,000
15,002,192	14,471,955
15,402,192	15,097,955

13 RETIREMENT BENEFIT OBLIGATIONS

The AMB 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

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

13 RETIREMENT BENEFIT OBLIGATIONS (Continued)

Amounts recognised in the statement of financial position at end of year:

Defined benefit obligation

Fair value of plan assets

Liability recognised in the statement of financial position

Amounts recognised in profit or loss:

Service cost:

Current service cost

Employee Contributions

Fund expenses

Net Interest expense /(income)

Profit and Loss Charge

Remeasurement

Liability (gain) / loss

Assets (gain) / loss

Net Assets / Equity (NAE)

TOTAL

Movement in liability recognised in statement of financial position:

At start of year

Amount recognised in Profit and Loss

Past Service Funding

Contributions and direct benefits paid by employer

Amount recognised in NAE

At end of year

Year ended 30 June 2020"	Year ended 30 June 2019
MUR	MUR
305,587,787	270,071,935
(125,762,407)	(107,650,500)
179,825,380	162,421,435
5,903,911	4,877,360
(2,185,183)	(2,190,726)
175,112	140,630
5,624,336	10,009,115
9,518,176	12,836,379
34,629,266	1,157,150
(6,169,791)	1,561,447
28,459,475	2,718,597
37,977,651	15,554,976
162,421,435	167,255,907
9,518,176	12,836,379
(12,880,000)	(12,880,000)
(7,693,706)	(7,509,448)
28,459,475	2,718,597
179,825,380	162,421,435

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

AGRICULTURAL MARKETING BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

13 RETIREMENT BENEFIT OBLIGATIONS (Continued)

Reconciliation of the present value of defined benefit obligation

Present value of obligation at start of period

Current service costs

Interest costs

Benefits paid

Liability (gain) / loss

Present value of obligations at end of period

Reconciliation of fair value of plan assets

Fair value of plan assets at start of period

Expected return on plan assets

Employer contributions

Past Service Funding

Employee contributions

(Benefits paid and other outgo)

Asset gain/(loss)

Fair value of plan assets at end of period

Distribution of plan assets at end of period

Percentage of assets at end of year

Fixed securities and cash

Loans

Local equities

Overseas bonds and equities

Property

Total

Year ended 30 June 2020"	Year ended 30 June 2019
MUR	MUR
270,071,935	264,027,192
5,903,911	4,877,360
9,587,554	16,105,659
(14,604,879)	(16,095,426)
34,629,266	1,157,150
305,587,787	270,071,935
107,650,500	96,771,285
3,963,218	6,096,544
6,746,803	6,243,104
12,880,000	12,880,000
2,185,183	2,190,726
(13,833,088)	(14,969,712)
6,169,791	(1,561,447)
125,762,407	107,650,500
Jun-20	Jun-19
61.7%	58.7%
3.0%	3.4%
10.1%	13.1%
24.6%	24.2%
0.6%	0.6%
100%	100%

Additional disclosure on assets issued or used by the reporting entity

Percentage of assets at end of year

Assets held in the entity's own financial instruments

Property occupied by the entity

Other assets used by the entity

%	%
0%	0%
0%	0%
0%	0%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

13 RETIREMENT BENEFIT OBLIGATIONS (Continued)

Components of the amount recognised on NAE

Asset experience gain / (loss) during the period

Liability experience gain / (loss) during the period

Year 2019/20 : Expected employer contributions

Weighted average duration of the defined benefit obligation

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

Discount rate

Future salary increases

Future pension increases

Mortality before retirement

Mortality in retirement

Retirement age

A 6770 Ultimate Tables
PA (90) Tables rated down by 2 years

As per second Schedule in the Statutory Bodies Pension
Funds Act

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

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

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by MUR 33.74M (increase by MUR 40.9M) if all other assumptions were held unchanged.
 - If the expected salary growth would increase (decrease) by 100 basis points, the defined benefit obligation would increase by MUR 13.7M (decrease by MUR 12.2M) if all assumptions were held unchanged.
 - If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by MUR 10.2 M (decrease by MUR 10M) 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."

14 VOLUNTARY RETIREMENT SCHEME

The VRS Scheme is payable as follows:

Trade and other payables from Non-Exchange Transactions

Balance at start

Amount paid during the year

Balance at end

Current liabilities

Payable within one year

Non-current liabilities

Payable after one year

Year ended 30 June 2020 MUR	Year ended 30 June 2019 MUR
6,169,790	(1,561,447)
(34,629,266)	(1,157,150)
(28,459,476)	(2,718,597)
MUR 20M	MUR 6.5M

Year ended 30 June 2020	Year ended 30 June 2019
3.55%	6.1%
2.40%	4.00%
1.40%	3.00%

Year ended 30 June 2020 MUR	Year ended 30 June 2019 MUR
3,489,954	5,102,136
(1,184,594)	(1,612,182)
2,305,360	3,489,954
1,184,594	1,612,182
1,120,766	1,877,772
2,305,360	3,489,954

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

15 TURNOVER

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

PRODUCE	Year ended 30 June 2020		Year ended 30 June 2019	
	Quantity	Amount	Quantity	Amount
	tonnes	MUR	tonnes	MUR
Imported Potatoes	6744	176,935,977	4843	126,149,528
Local Potatoes	3694	103,997,122	5599	147,062,838
Imported Onions	10227	305,034,978	8749	257,320,695
Local Onions	118	3,362,920	100	2,558,177
Rodrigues Onions	12	514,517	44	1,622,242
Imported Seed Potatoes	353	13,186,102	313	12,718,836
Local Seed Potatoes	822	22,230,708	563	23,648,749
Imported Garlic	1901	209,816,669	1912	208,004,380
Local Garlic	7	700,290	3.5	368,025
Imported Bean Seeds	5	1,155,850	4	1,021,950
Imported Onion Seeds	0.001	57,200	0.1	646,600
Local Onion Seeds	15	2,159,235	22	2,058,059
Imported Cardamom	0.365	561,530	1	757,143
Imported /Local Carrots	66	3,797,101	150.7	9,861,613
Imported Turmeric Powder	8	756,300	9	901,885
Others	-	7,319,489	-	2,395,744
TOTAL TURNOVER		851,585,988		797,096,464

16 OTHER INCOME

Commission on By-Catch Fish
Interest on bank balances and bank deposits
Interest on staff Loan
Rental Income
Compensation from suppliers
Finance Income - Outstanding Receivables
Insurance Claims
Decrease in Provision for Doubtful Debts
Uncertified seeds
Gain on sale of assets
Other Income

Year ended 30 June 2020	Year ended 30 June 2019
MUR	MUR
3,105,859	4,040,343
6,274,959	11,428,558
162,885	171,804
30,612,978	38,277,598
1,898,252	7,154,181
120,979	136,072
91,690	3,543
-	1,339,961
355,642	63,046
-	6,000
1,521,796	2,777,508
44,145,039	65,398,615

17 COST OF SALES

Cost of sales:
Opening stock
Purchases
Closing stock

Year ended 30 June 2020	Year ended 30 June 2019
MUR	MUR
71,847,379	60,046,644
746,020,914	507,167,130
(107,565,149)	(71,847,379)
710,303,144	495,366,395

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Year ended 30 June 2020	Year ended 30 June 2019
	MUR	MUR
18 STAFF COSTS		
Basic Salary	44,611,056	42,676,924
Overtime Payment	6,975,733	6,354,360
Travelling	5,403,508	4,689,277
Responsibility Allowance	2,254,067	1,022,725
Other Pay	108,401	113,458
Sick Leave	861,096	1,634,690
Meal Allowance	151,970	66,170
Pension contribution-IPSAS 39	9,518,176	14,637,363
Pension contribution scheme	671,160	-
FPS contribution	840,311	787,511
Medical Scheme contribution	2,657,139	2,328,666
NPS Contribution	979,765	975,957
End of Year Bonus	1,905,848	3,578,962
Passage Benefit	1,666,602	1,734,165
Compensation	1,092,650	253,623
Increase/(Decrease) in Provision for vacation leave	628,241	1,194,694
Increase/(Decrease) in Provision for sick leave	518,973	662,714
Staff Uniform & Protective Equip	862,070	856,542
Training	107,246	240,335
	81,814,011	83,808,136
19 ADMINISTRATIVE EXPENSES		
Electricity, water and telephone	39,330,603	39,203,459
Repairs and maintenance	8,088,545	7,937,342
Insurance	1,247,662	1,045,291
Legal and professional fees	877,067	742,608
Motor vehicles running expenses	743,886	831,541
Board members fees	648,377	846,866
Security services	2,924,409	1,657,173
Consultancy fees	565,510	425,123
General expenses - store	1,675,228	756,505
Waste Disposal	251,355	179,800
Compensation to dealers	3,015,348	3,328,405
Operating expenses	356,710	1,635,699
Postage, printing and stationery	1,371,573	1,136,209
Advertising	325,788	296,200
Audit fees	275,000	275,000
General expenses	1,636,629	1,448,491
Rent payable	243,608	165,082
	63,577,297	61,910,794
20 OTHER EXPENSES		
Donations	-	50,000
Bad Debts	2,522,045	1,682,396
Depreciation	30,545,429	30,110,410
Loss on foreign exchange transactions	3,147,462	266,752
Impairment loss	46,171	-
	36,261,107	32,109,558

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

21 RELATED PARTY TRANSACTION

The Agricultural Marketing Board regards the Government of Mauritius as its controlling party and discloses the following for period under review in accordance with IPSAS 20 (Related party disclosures)

	Year ended 30 June 2020 MUR	Year ended 30 June 2019 MUR
(i) Grant received from Government	5,000,000	2,378,750
(ii) Compensation to key Management Personnel	648,377	846,866
Fees to Board Members	8,336,402	6,209,046
Management Personnel Compensation	13,984,779	9,434,662

22 PRIOR YEAR ADJUSTMENTS

	Year ended 30 June 2020 MUR
Adjustment to Interest receivable overstated against Trading Equalisation Reserve	3,090,616
Writing back of outstanding amount payable against Food Security Fund	(425,258)
Reserve	943,328
Overprovision of Audit fee as at 30.6.2019 and 30.06.21	25,000
	3,633,686

23 SEGMENT REPORTING

	POTATOES		ONIONS				GARLIC		SEED POTATO		ONION SEED		IMPORTED URMERIC	IMPORTED BEAN SEEDS	IMPORTED CARDAMOM	OTHERS	TOTAL
	LOCAL	IMPORTED	LOCAL	IMPORTED	RODRIGUES	LOCAL	IMPORTED	LOCAL	IMPORTED	LOCAL	IMPORTED						
MUR M																	
REVENUE	112	194	4	330	1	1	214	24	14	2	0	1	1	1	1	13	910
Less: COST OF OPERATION	(108)	(174)	(4)	(315)	(1)	(2)	(162)	(33)	(20)	(3)	0	(1)	(1)	0	(16)	(839)	
OPERATING SURPLUS/ (DEFICIT)	4	2	0	5	0.0	(1)	53	(9)	(6)	(0.56)	(0.04)	0.26	0.2	0.1	(3)	44	
Less: OTHER EXPENSES	8	13	0.2	23	0.02	0.03	4	2	1	0.0001	0.05	0.02	0.00	0.01	1.54	53	
NET SURPLUS	(3.8)	6.8	(0.2)	(7.8)	0.0	(1.2)	48.2	(10.7)	(7.2)	(0.6)	(0.1)	0.2	0.2	0.0	(5.0)	18.4	

"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 **MUR 18.4M** for the year ended **30 June 2020** is made up as shown above. Deficits on these products are cross subsidized from surpluses on sales of other products."

