

Annual Report

1 July 2020
30 June 2021





ANNUAL REPORT

1 July 2020 - 30 June 2021



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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 and other resources with maximum efficiency for the benefit of producers and consumers;

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

CHAIRMAN'S STATEMENT

The Honourable Maneesh Gobin
Attorney General and 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), I am privileged, once more, to submit the Annual Report of the Agricultural Marketing Board (AMB) for the period July 2020 to June 2021.

During this financial year, the AMB has closely collaborated with the Parent Ministry to ensure availability of basic foods, especially the controlled products like potato, onion and garlic, to the population at large. During the confinement period resulting from the second outbreak of the Covid-19 pandemic, the AMB left no stone unturned and with the precious collaboration of its dedicated staff and support staff, to ensure regular supply of controlled products to its clientele.

The second outbreak of Covid 19 pandemic has, once more, increased volatility in the supply of agricultural produce in the foreign markets. The Cabinet decided in March 2021 to restrict the whole import of potato and onion to AMB only to ensure a regular supply of produce to our local consumers. This has largely impacted on our financial performance with a total revenues amounting to MUR 1.033 billion. For the financial year ending 30 June 2021, a surplus of MUR 48.4 m is reported, compared to MUR 18.4 m as at end 30 June 2020.

Efforts were not spared to come up with a feasible proposal for the implementation of the National Wholesale Market. Consultative meetings were organised with the potential users, namely suppliers (growers), auctioneers and dealers to define operational procedures which could be acceptable to all concerned parties. Meetings were also held with the Parent Ministry on policy matters to ensure that the project is in line with the objectives of the Central Government. The enactment of the Finance Bill 2021 has empowered the AMB to proceed with the registration of the different users. The State Law Office is currently finalising the National Wholesale Market Regulations 2021 and together with the publication of Standard Operation Procedures Manual, the AMB will eventually operate the NWM within a strong legal framework.

Tenders for the procurement of necessary equipment for the setting up of an agro-processing unit have already been launched and with the collaboration of the Food and Agricultural Research and Extension Institute (FAREI), necessary training will be provided to all parties concerned.

Finally, Honourable Minister, let me reassure you that the financial statement for the year ending 30 June 2021 has been prepared in line with the International Public Sector Accounting Standards (IPSASs) and gives a true and fair view of the financial status of the AMB.

On behalf of the Board Members and the Management of the Agricultural Marketing Board (AMB), I wish to thank you, dear Minister, for your unflinching support.

Yours faithfully



Dr. K. Payandi Pillay,
Chairman

Date: 02 May 2022

GENERAL MANAGER'S REVIEW

I am extremely honoured to present the Annual Report of the Agricultural Marketing Board (AMB) for the financial period ending 30 June 2021.

The period under review witnessed a second wave of the unprecedented crisis created by the Covid-19 pandemic. Amidst all adversities associated with the pandemic, the AMB provided an uninterrupted supply of strategic crops to the population and I must seize this opportunity to thank our collaborators and dedicated personnel for their contribution in this endeavour.

With a view to protect our population, the AMB together with its main stakeholder, the market dealers, ensured that the maximum retail price of onions and potatoes did not exceed MUR 40 per kg..

Financial position

The surplus for the financial year ending 30 June 2021 reached MUR 51.0 M with total revenue amounting to MUR 1.033 billion.

Imports and retailing activities

In the context of the COVID-19 pandemic and with a view to protecting consumers from unscrupulous sellers , the Cabinet approved on 26 March 2021, the proposition of AMB to be the sole importer of potatoes and onion and that no import permits be issued to other importers for year 2021 .

12,008.72 tonnes onions, 9,584.70 tonnes potatoes, 1,964 tonnes garlic and 98.77 tonnes vegetables (carrots and cabbages) were imported and supplied at affordable prices.

The AMB continued its retailing activities and delivery of produces across the island.

Valuing our People

Some 409 hours of training were dispensed to employees in diverse fields, like Anti-Money Laundering, Navision Training, Driving of Heavy Vehicles, E-Procurement, Corruption Risk Assessment, Occupational Safety and Health, Weighbridge Management System, Public Procurement Law and Policies, Food Production and Processing Technologies, National Potato Workshop amongst others. We have succeeded in bringing more synergies among our employees while keeping in mind their welfare.

Social Undertakings

The AMB continued in its endeavor to support and empower farmers and children by sponsoring the latest edition of the Educational Achiever Award Scheme organised by the SFWF and children in the vicinity of Moka and St Pierre regions by donating a photocopy machine to the Petit Verger Government School and a refrigerator to the Moka Government School.

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

a) National Wholesale Market (NWM)

The project of creating a NWM for food crops is unprecedented. The main objectives of the NWM are to be financially sustainable, to provide the stakeholders with a secure and hygienic working environment and bring more transparency in wholesale transactions. Thus, the AMB enlisted the services of BDO & Co. to prepare a business plan for operating the NWM for fruits, vegetables and flowers. The Business Plan was submitted in May 2021. The Management is confident on the successful implementation of the project.

b) Subsidies to growers of onions, potatoes and garlic

AMB continued to provide growers with 50% subsidy on the wholesale selling prices for seed potatoes, onion seeds and garlic seeds for Campaign 2021. An amount of approximately MUR 18 M were disbursed with a view of boosting the local production of potatoes, onions and garlic for food security reasons.

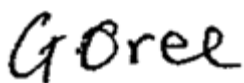
c) Increase in the Floor Prices for table onions and table potatoes

In collaboration with the Parent Ministry, the National Potato Committee and the National Onion and Garlic Committee, the AMB revised the floor prices for Grade 1 Local Potatoes from MUR 25,500/T to MUR 27,500/T and High Yielding Local Onions from MUR 26,500/T to MUR 28,000/T for Campaign 2021.

Forthcoming project in pipeline: Agro processing Unit

Due to reasons beyond the control of the AMB, the launching date for an agro processing unit on a pilot basis at Moka for the processing of French fries and wedges has been delayed. We are confident the project will be operational by the next financial year.

May I seize this opportunity to thank the Minister of Agro Industry and Food Security, the Chairman, Members of the Board, staff of AMB and our stakeholders for the steadfast and appreciated support in 2020/2021.



Gowkaran OREE
General Manager
Date: 02 May 2022

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 1963.

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).

The Chairman

- 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 organisation. 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 organisation'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 organisation 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 (Logistics and Supply Chain Management) 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 (Finance) 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	Mrs. Y. Ittoo	BSc (Hons) Marketing Management
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.
Absa Bank (Mauritius) Limited.
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. S. D. Soborun Representative of the Ministry of Agro Industry and Food Security

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

Mr. S. Kisson 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 2020/2021

	Board	Finance Committee	Supplies Committee	Staff Committee	Audit & Corporate Governance Committee	Fees Paid to members (MUR)
Total number of meetings	18	14	20	9	3	
Dr. K. Payandi Pillay	18					305,232
Mrs. S.D. Soborun	16	14	20	9		54,645
Mr. V. Ramkelawon	7	11	17		3	28,309
Mr. S. Kissoon	13		11	5	2	20,662
Mrs. F. Chamroo-Jaddoo	3		1			2,898
Mr. L. M. Monvoisin	15	10				17,517
Mr. S. S. A. M. Goolaub	17		18		2	25,201
Mr. H. Woodun	18			5	3	32,885
Mr. M. P. Bisesar	17					11,346
Mr. L. Seegoolam	14	8			2	25,010
Mr. N. Nabeeamode	17			9		44,753
Mr. B. K. Seetaram	7		4			6,552
Mrs. J. Sauzier	12			5		16,004
Total						593,014

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

Mr. S. Kissoon – 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. S.D. Soborun – Representative of the Ministry of Agro-Industry 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. S.D. Soborun – Representative of the Ministry of
– Agro-Industry and Food Security

Mr. H. Woodun – Independent Member

Mr. M. Bisesar – Independent Member

Mr. B. K. Seetaram – Independent Member

Staff Committee – Terms of Reference

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

Staff Committee – Composition

Chairperson

Mrs. S.D. Soborun – Representative of the Ministry of
– Agro- Industry and Food Security

Members

Mr. S. Kissoon – 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. S.D. Soborun

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

Members

Mr. S. Kissoon

- Representative of the Ministry of Commerce and Consumer Protection

Mr. V. Ramkelawon

- Representative of the Ministry of Finance, Economic planning and 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 1963, the Board consists of:

- A Chairman
- A representative of the Ministry of Agro-Industry and Food Security
- A representative of the Ministry of Finance, Economic planning and Development
- A representative of the Ministry of Commerce and Consumer Protection
- The Registrar of Co-operative Societies or his representative
- 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 Chairman are currently linked to the salary of the General Manager, at the rate of 30% of the monthly basic salary 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

To support and empower farmers and children in the vicinity of Moka/St Pierre regions AMB sponsored the latest edition of the Educational Achiever Award Scheme organised by the SFWF and donated a photocopy machine to the Petit Verger Government School and a refrigerator to the Moka Government School.

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 275,000.- for the year 2020/21 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 : 02 May 2022

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. S.D. 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.

MR. SALIL KISSOON (Ex-Officio Member)

Mr. Salil Kisson holds a BSc Honours in Public Administration and Management. He has wide experience in the public sector and is currently Assistant Permanent Secretary at the Ministry of Industry, Commerce and Consumer Protection. Mr. S. Kisson joined the AMB in August 2020 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 therefrom 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.

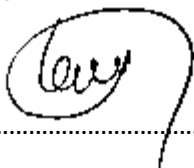
The External Auditors are responsible for reporting on whether the financial statements are fairly presented.

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

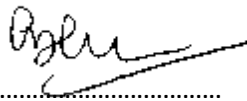
- (a) adequate accounting records and an effective system of internal controls and risk management have been maintained,
- (b) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently,
- (c) the Code of Corporate Governance has been adhered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

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 has a storage capacity of 2,000 tonnes.

(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	Rose Belle Fair	Wednesdays and Sundays	
2	Moka Retail Outlet	Every day except Sundays	
3	Quartier Militaire Retail Outlet	Sundays	
4	Rivière des Anguilles Retail Outlet	Saturdays	
5	Vallée Des Prêtres Retail Outlet	Thursdays and Saturdays	
6	Montagne Blanche Retail Outlet	Saturdays	
7	Triolet Retail Outlet	Mondays, Wednesdays and Fridays	
8	Port Louis Market Fair	Monday to Saturday	240,241
9	Rivière du Rempart Retail Outlet	Wednesdays and Sundays	
10	Goodlands Retail Outlet	Tuesdays and Saturdays	
11	NPF Building	Thursdays	

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 2020.

For the campaign 2020, 638 tonnes of Spunta seed potato were produced.

Seeds for ware production were sold during that period to planters by the AMB at a subsidised price of MUR 25,000/t for varieties Spunta Delaware, Mondial, Safari and Everest Seeds.

PURCHASE OF LOCAL SEED POTATO BY AMB - CAMPAIGN 2019/20

PRODUCER	Quantity (t)
	Spunta
Terragri Ltd.	234.6
D K Agro Alimentaire Co Ltd.	109.2
ENL Agri Ltd.	115.5
Senneville Agricultural Ltd	25.3
Cie. Sucrière de St Antoine	153.9
Total	638.5

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 2020.



IMPORT OF SEED POTATO FOR WARE PRODUCTION – FOR CAMPAIGN 2019

Producer	Variety	Qty (t) - 2020/21	Supplier	Origin
AMB	Imp Spunta	65	Southern Packers	Australia
	Safari	50	Stet Holland	The Netherlands
	Everest	2	Stet Holland	
	Delaware	15	Southern Packers	Australia
	Mondial	49	Wesgrow Ltd	South Africa
Sub - total		181		

Privates				
Terragri & Alteo	Imp Spunta	200	Stet Holland	The Netherlands
c/o Alcohol & Molasses Export Ltd		20	Southern Packers	Australia
	Delaware	25	Southern Packers	Australia
Sub - total		245		
Cope Sud	Spunta	50	Southern Packers	Australia
	Delaware	232	Southern Packers	Australia
	Delaware	50	Fox Farming	Australia
	Spunta	25	Fox Farming	Australia
	Spunta	220	Southern Packers	France
Sub - total		577		
Medine SE	Spunta	55	Scea du Fayet	France
ENL Agri Ltd	Spunta	137.5	Scea du Fayet	France
Cie de Gros Cailloux Ltee	Spunta	110	Scea du Fayet	France
Elife Ltd c/o Ellayah P	Spunta	41	Southern Packers	Australia
Senneville	Delaware	15	Southern Packers	Australia
	Spunta	10	Southern Packers	Australia
Total Private Import of Seed Potato		1,190.5		

COST OF IMPORTED SEED POTATO FOR WARE PRODUCTION BY AMB FOR CAMPAIGN 2020

Variety	Origin	Average Price C & F (MUR/t)	Invoice Quantity (t)
Normal Santana	The Netherlands	35,764.20	1.25
Normal Safari (Class E)	The Netherlands	38,386.10	10
Spunta (Normal)	Western Australia	44,726	222.05
Normal Safari (Class A)	The Netherlands	35,956.60	17.5
Everest	The Netherlands	35,764.20	26.25
Normal Delaware	Western Australia	44,419.47	75
Normal Spunta (Class A)	The Netherlands	29,525.06	225
Mondial	South Africa	45,857.65	15.99
Sababa	South Africa	45,857.65	9.2
Total			602.24

SALE OF SEED POTATO FOR WARE PRODUCTION FOR CAMPAIGN 2020

Producer Groups	Spunta (t)		Imported Safari Stet Holland (t)	Imported Everest Stet Holland (t)	Imported Mondial Wes Grow (t)	Imported Delaware Southern Packers (t)	Total (t)
	Local	Imported Southern Packers					
Small Planters	326.2	52.3	42.0	0.5	32.4	14.4	467.8
FAREI	1.2	0.2	0.4				1.8
Sugar Estates	244.7	8.8	6.4	1.2	16.0		277.1
RTMC	8.0						8.0
Total	580.1	61.3	48.8	1.7	48.4	14.4	754.7

SALE OF SEED POTATO FOR SEED PRODUCTION

For Campaign 2020, 72.5t 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 – CAMPAIGN 2020

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	45,160.50	97.5

BEAN SEEDS

For the period, 1 July 2020 to 30 June 2021, the AMB procured 2 tonnes of the Bison variety 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)
Bison	USA	230,141.59	2

SALE OF BEAN SEEDS BY AMB FOR PERIOD 1 JULY 2020-30 JUNE 2021

	BISON	LONG-TOM	Local Ferrina/Red Pearl	
MONTH	QTY (kg)	QTY (kg)	QTY (kg)	TOTAL (kg)
July 2020	107	366	0	443
August 2020	60.5	292	0	352.5
September 2020	179	578	0	757
October 2020	110	224.5	0	334.5
November 2020	37.5	245.5	0	283
December 2020	193	203	0	396
January 2021	18	119	0	137
February 2021	78	86.5	1	165.5
March 2021	47.5	10	15	72.5
April 2021	36.5	1	0	37.5
May 2021	207	0	25	232
June 2021	133	1	58	192
TOTAL				3,402.5

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 CAMPAIGN 2020

Variety	Price (MUR/ kg)	QUANTITY (kg)
Noflaye		
Bellarose Grade II		
Bellarose Grade III		
Francia Grade I	3,000	485
Francia Grade II	2,800	10
Francia Grade III	2,800	3
Star 5529		
TOTAL		498

GARLIC SEEDS

So as to continue with the Government policy to increase local production of garlic, the AMB purchased 8,000 kg of garlic to be used as seeds from local producers at MUR 130/kg for Campaign 2020. Garlic Seeds were sold at a subsidized price of MUR 55/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 2020 - 30 June 2021, 14,317 tonnes of table potatoes were harvested.

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (ha)	Quantity (t)	Quantity (t)
July 2020	651	14,317	196
August 2020			
September 2020			
October 2020			
November 2020			
December 2020			
January 2021			980
February 2021			3,956.7
March 2021			
April 2021			1,120
May 2021			1,708
June 2021			1,624
Total			9,584.70

Source: Statistics Mauritius & AMB

PURCHASE OF LOCAL WARE POTATOES BY AMB FOR CAMPAIGN 2019

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

- (i) 786t (1st grade)
- (ii) 1,794t (mixed grade)

IMPORTS OF TABLE POTATOES

Import of table potatoes was undertaken by AMB only for the period 1 July 2020 - 30 June 2021 following cabinet decision of 26 March 2021.

For the period, the AMB imported 9,584.70 tonnes of table potatoes.

IMPORTS & COST OF IMPORTS OF TABLE POTATOES

Country of Origin	Quantity (t)	Weighted Average C&F (MUR/t)
The Netherlands	1,904	20,473.87
India	4,844	20,490.94
Turkey	812	23,605.90
Germany	1,430	20,998.57
France	594.7	22,417.45

The weighted average cost of imports (C&F) for the AMB for period, was MUR 20,946.71/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 2020 - 30 June 2021, 3,645 tonnes of onions were harvested.

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (ha)	Quantity (t)	Quantity (t)
July 200	175	3645	
August 2020			1,260
September 2020			616
October 2020			
November 2020			924
December 2020			924
January 2021			1,572.24
February 2021			728.48
March 2021			1,196
April 2021			1,792
May 2021			1,988
June 2021			1,008
Total			12,008.72

Source: Statistics Mauritius & AMB

PURCHASE OF LOCAL ONIONS BY AMB

*For the period,
AMB purchased*

640
t o n n e s

**of local onions
from planters.**

IMPORTS AND COST OF IMPORTS OF ONIONS FOR PERIOD 1 JULY 2020 - 30 JUNE 2021

Country of Origin	Quantity Imported (t)	Average Cost C&F (MUR/t)
The Netherlands	3,308	29,692.77
India	6,412	18,884.16
Egypt	1,484.72	26,392.80
South Africa	748	23,500.06
Madagascar	28	30,954
Turkey	28	31,023.25

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 (12,008.72 tonnes) and private parties (840 tonnes). Private parties were not allocated quotas for the year ended 2021 as per cabinet decision of 26th March 2021.

ONIONS FROM RODRIGUES

AMB continued to purchase onions from Rodrigues at floor price. For the period a total of 34.2 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 39 tonnes



LOCAL PRODUCTION AND IMPORTS

MONTH	LOCAL PRODUCTION		IMPORTS
	Area Harvested (ha)	Quantity (t)	Quantity (t)
July 2020	7	39	
August 2020			308
September 2020			112
October 2020			112
November 2020			112
December 2020			340
January 2021			140
February 2021			140
March 2021			224
April 2021			140
May 2021			112
June 2021			224
Total			1,964

Source: Statistics Mauritius & AMB

The sale of garlic averaged

157
tonnes
monthly

OTHER PRODUCTS

IMPORTS FOR THE PERIOD 1 JULY 2020 - 30 JUNE 2021

CARDAMOMS

ORIGIN	IMPORT
	Quantity (t)
India	2



TURMERIC POWDER

ORIGIN	IMPORT
	Quantity (t)
India	10

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 105,200 units of 100 ml, 50,490 units of 150 ml and 86,322 units of 200 ml glass jars and caps.



TUBULAR NETS

For the period 1 July 2020 to 30 June 2021, 237 bales of tubular nets were imported for use in the packing machine.



CARROTS, CABBAGES, COCONUTS, LEMONS, APPLES, MANDARINES & ORANGES

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

51.12

tonnes
of carrots from
South Africa

47.65

tonnes
of cabbages
from India

7,000

units
lemons from Rodrigues
and local suppliers

5,820

units
coconuts from
local suppliers

1,650

units
mandarines from
local suppliers

1,650

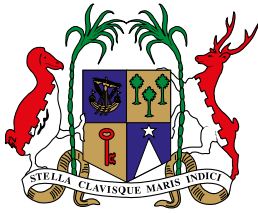
units
apples from
local suppliers





AMENDED FINANCIAL STATEMENT





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 2021 and the statement of financial performance, statement of changes in net assets/equity, statement of cash flows 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 2021, 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.

- (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:

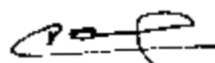
- (a) the Agricultural Marketing Board has complied with the Statutory Bodies (Accounts and Audit) Act; and
- (b) no direction relating to the accounts has been issued by the responsible Minister to Agricultural Marketing Board.

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.

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

2 May 2022

**AGRICULTURAL MARKETING BOARD
AMENDED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2021**

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AGRICULTURAL MARKETING BOARD

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	Year ended 30 June 2021	Year ended 30 June 2020
ASSETS		MUR	MUR
Current Assets			
Cash and cash equivalents	4	588,301,515	501,554,710
Cash - Food Security Fund Scheme	4.1	26,469,572	21,235,872
Receivables	5	57,726,735	74,353,955
Loans receivable	5.1	927,491	829,170
Inventories	6	82,543,835	120,493,942
		755,969,148	718,467,649
Non-Current Assets			
Loans receivable	5.1	2,626,327	2,509,004
Property, plant and equipment	8	180,217,578	198,399,683
Assets under construction	8.1	3,077,594	856,750
Land	8.2	5,000,000	5,000,000
Intangible assets	7	247,283	278,232
		191,168,782	207,043,669
TOTAL ASSETS		947,137,930	925,511,318
LIABILITIES			
Current Liabilities			
Trade and other payables	9	26,500,396	42,416,127
Employee Benefits	9.1	2,809,863	3,048,639
		29,310,259	45,464,766
Non-Current Liabilities			
Advance-Food Security Fund Scheme	10	59,897,952	62,709,995
Employee Benefits	11	34,070,026	30,970,503
Retirement benefit obligations	12	217,966,260	179,825,380
Voluntary Retirement Scheme	13	820,894	1,120,766
		312,755,132	274,626,644
TOTAL LIABILITIES		342,065,391	320,091,410
NET ASSETS		605,072,539	605,419,908
NET ASSETS/EQUITY			
Trading Equalisation Reserve		425,145,451	423,833,407
Grant - Food Security Fund Scheme	10.1	389,517	2,048,930
Revaluation reserves		179,537,571	179,537,571
TOTAL NET ASSETS/EQUITY		605,072,539	605,419,908

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 2 May 2021


 CHAIRMAN
 K PAYANDI PILLAY


 BOARD MEMBER
 V RAMKELAWON

AGRICULTURAL MARKETING BOARD

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Year ended 30 June 2021	Year ended 30 June 2020
		MUR	MUR
Revenue			
Revenue from Non Exchange Transactions			
Administrative fee		159,550	321,420
Strategic Buffer Fee		2,215,400	14,300,402
		2,374,950	14,621,822
Revenue from Exchange Transactions			
Turnover	14	992,917,778	851,585,988
Other Income	15	37,708,702	44,145,039
		1,030,626,480	895,731,027
TOTAL REVENUE		1,033,001,430	910,352,849
Expenses			
Cost of sales	16	763,533,751	710,303,144
Staff costs	17	88,803,260	81,814,011
Administrative Expenses	18	67,041,447	63,577,297
Other Expenses	19	62,647,482	36,261,107
TOTAL EXPENSES		982,025,940	891,955,559
Surplus for the year		50,975,490	18,397,290

Other comprehensive income for the year:

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 2021

	Trading Equalisation Reserve		Revaluation reserve		Grant-Food Security Fund		Total Net Assets/Equity	
	MUR		MUR		MUR		MUR	
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	4,058,945		-		-		4,058,945	
Direct benefits paid by SICOM	946,903		-		-		946,903	
Remeasurement of SICOM pension fund	(28,459,475)		-		-		(28,459,475)	
Transfer to Food Security Fund	-		-		(425,258)		(425,258)	
Balance at 30 June 2020	423,833,407		179,537,571		2,048,930		605,419,908	
Net surplus for the year	50,975,490		-		-		50,975,490	
Prior Year Adjustments (Note 21)	(1,506,386)		-		0		(1,506,386)	
Direct benefits paid by SICOM	611,685		-		-		611,685	
Remeasurement of SICOM Benefit Scheme pension fund	(48,768,744)		-		-		(48,768,744)	
Transfer to Food Security Fund	-		-		(1,659,413)		(1,659,413)	
Balance at 30 June 2021	425,145,451		179,537,571		389,517		605,072,539	

The notes on pages 47 to 72 form part of these financial statements.

AGRICULTURAL MARKETING BOARD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Year ended 30 June 2021	Year ended 30 June 2020
	MUR	MUR
Cash flow from operating activities		
Net surplus for the year	50,975,490	18,397,290
Adjustments for Non- Cash movements:-		
Depreciation & amortisation	31,142,645	30,545,429
Retirement benefit obligations	2,863,821	2,771,373
Employees benefit	6,412,702	2,813,816
Uncertified seeds	(241,856)	(355,642)
Impairment	50,262	46,171
Prior year adjustments	1,506,386	(4,058,944)
Other Non Cash Items	9,949,999	4,545,228
Remeasurement SICOM Pension Fund	(22,397,059)	-
Foreign exchange gain	(3,543,963)	-
Foreign exchange loss	23,457,025	3,147,462
Operating surplus before working capital changes	100,175,452	57,852,183
Decrease in trade and other receivables	16,627,220	9,103,708
Decrease/ (Increase) in inventories	37,950,108	(36,094,577)
(Decrease)/Increase in VRS	(299,873)	(757,007)
(Increase)/Decrease in staff loans	(215,644)	794,485
(Decrease) / increase in trade and other payables	(16,154,507)	15,978,159
Interest receivable-others	(2,674,364)	(6,558,823)
Net cash flows from operating activities	135,408,392	40,318,126
Cash flows from investing activities		
Acquisition of property, plant and equipment	(12,833,197)	(12,724,120)
Purchase of Intangible assets	(148,100)	(73,601)
Proceeds from disposal of non current assets	-	-
Assets Under Construction	(3,077,594)	(856,750)
Interest received	2,674,364	6,558,823
Net cash from investing activities	122,023,864	33,222,479
Cash flows from financing activities		
Transfer to SICOM Pension fund	(12,880,000)	(12,880,000)
Transfer to consolidated fund	-	(225,000,000)
Remeasurement of SICOM Pension Fund	(22,397,059)	-
Net increase/(decrease) in cash and cash equivalents	86,746,805	(204,657,522)
Movements in cash and cash equivalents		
Cash and cash equivalents as at 1 July 2020	501,554,710	706,212,232
Cash and cash equivalents as at 30 June 2021	588,301,515	501,554,710
Net increase/(decrease) in cash and cash equivalents	86,746,805	(204,657,522)

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 2021

	Original Budget	Revised Budget	Difference between Original and Revised Budget	Actual	Difference between Revised Budget and Actual
			2020/2021		
	A	B	(B-A)	C	(C-B)
Revenue			MUR		
Revenue from non Exchange Transactions					
Administrative fee	300,800	1,144,750	843,950	159,550	(985,200)
Strategic Buffer Fee	22,220,000	2,215,400	(20,004,600)	2,215,400	-
	22,520,800	3,360,150	(19,160,650)	2,374,950	(985,200)
Revenue from Exchange Transactions					
Turnover	780,704,800	1,021,875,197	241,170,397	992,917,778	(28,957,419)
Commission on By-Catch Fish	2,450,000	1,088,000	(1,362,000)	73,240	(1,014,760)
Interest on bank balances and bank deposits	800,000	1,842,153	1,042,153	2,261,608	419,455
Interest on staff Loan	150,000	150,000	-	170,617	20,617
Rental Income	24,600,000	24,254,706	(345,294)	26,910,826	2,656,119
Compensation from suppliers	-	2,898,376	2,898,376	3,392,818	494,442
Finance Income - Outstanding Receivables	160,000	150,000	(10,000)	242,140	92,140
Insurance Claims	-	10,879	10,879	10,879	-
Uncertified seeds	-	16,227	16,227	241,856	225,629
Gain on FOREX	-	-	-	3,543,963	3,543,963
Other Income	360,000	665,948	305,948	860,755	194,807
Income from National Wholesale Market	25,000,000	-	(25,000,000)	-	-
	834,224,800	1,052,951,486	218,726,686	1,030,626,480	(22,325,008)
TOTAL REVENUE					
Expenses					
Cost of sales	585,971,200	795,048,804	209,077,604	763,533,751	(31,515,053)
Staff costs	138,330,853	138,330,853	-	88,803,260	(49,527,593)
Electricity, water and telephone	39,534,000	39,654,000	120,000	40,720,110	1,066,110
Repairs and maintenance	15,561,205	14,589,481	(971,724)	11,038,694	(3,550,787)
Insurance	1,500,000	1,500,000	-	1,203,243	(296,757)
Legal and professional fees	960,000	960,000	-	790,204	(169,796)
Motor vehicles running expenses	2,017,800	2,017,800	-	1,166,214	(851,586)
Board members fees	1,200,000	1,000,000	(200,000)	905,189	(94,811)
Security services	3,600,000	4,300,000	700,000	4,258,450	(41,550)
Consultancy fees	380,000	380,000	-	17,250	(362,750)
General expenses - store	650,000	1,050,000	400,000	1,047,290	(2,710)
Waste Disposal	100,000	100,000	-	109,801	9,801
Compensation to dealers	-	1,589,681	1,589,681	1,664,602	74,921
Operating expenses & National Wholesale Market	10,000,000	10,000,000	-	6,341	(9,993,659)
Postage, printing and stationery	920,000	920,000	-	1,478,186	558,186
Advertising	1,200,000	600,000	(600,000)	98,912	(501,089)
Audit fees	300,000	300,000	-	275,000	(25,000)
General expenses - Admin	1,985,750	2,626,771	641,021	2,174,220	(452,551)
Official visits abroad	400,000	100,000	(300,000)	-	(100,000)
Rent payable	770,000	470,000	(300,000)	87,741	(382,259)
Donations	-	146,853	146,853	146,853	-
Bad Debts	-	-	-	7,850,697	7,850,697
Depreciation	41,000,000	41,000,000	-	31,142,645	(9,857,355)
Loss on foreign exchange transactions	120,000	120,000	-	23,457,025	23,337,025
Impairment loss	-	-	-	50,262	50,262
	846,500,808	1,056,804,242	210,303,435	982,025,940	(74,778,303)
TOTAL EXPENSES					
Surplus/(Deficit) for the year	10,244,792	(492,606)	(10,737,398)	50,975,490	51,468,096
CAPITAL EXPENDITURE(MUR' M)	190	190	-	12.83	(177.17)

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR**

ENDED 30 JUNE 2021



AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021 with comparative information ended 30 June 2020.

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 2020:

IPSAS 41 - Financial Instruments

IPSAS 42 - Social Benefits

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 5.3 M were accounted as expenses and cost of inventories were reduced.

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 27.7 M. Thus, the operating profit has been decreased with the increase in stock of agricultural products by MUR 35.7 M 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 2021

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

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 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

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

employees. An accrual is made for the estimated liability for bank sick leave and vacation leave. A provision is made for the estimated liability for vacation leave accumulated for the year.

Employee entitlement to overseas passage benefits are recognized when they accrue to the employees. A provision is also made for the estimated liability for passage benefits. The passage benefits for each staff are valued at year end and included as long term payables. For the current fiscal year, based on past experience and trend, an amount of some MUR 1.5 M was treated as short term facilities to provide for any forthcoming payments of passage in the next fiscal year.

(l) 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 if 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 2021

(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 2021

(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.

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

(vi) Operational Risk Management

Operational risk, which is inherent in all organizations activities, is the risk of financial loss and business instability arising from failures in internal controls, operational processes or the system that supports them. It is recognized that such risks can never be entirely eliminated and the costs of controls in minimizing these risks may outweigh the potential benefits. AMB is dealing in perishable products requiring downgrading of impaired stocks of products resulting in revenue losses as products had to 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 2020 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.

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(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.

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 2021

3.3 Comparison of Budget with Actual

(i) **Revenue** - The difference of **MUR 22.3 M** in revenue is explained as follows:

REVENUE	MUR/ M
Decrease in revenue from Non-Exchange Transactions due to COVID -19	(0.985)
Increase in Turnover	28.9
Increase in commission By-catch	1.0
Interest on bank deposits and balances	0.4
Increase in Rental Income	2.656
Compensation from suppliers	0.494
Increase in Provision for Doubtful debts	3.7
Increase in other income	1.335
TOTAL	22.3

Original budget for Turnover was **MUR 780.7 M** and same was revised to **MUR1, 021 M**. Turnover cannot be ascertained at time of preparation of Budget and same was understated. Actual turnover is **MUR 992.9 M** and the difference between revised budget and actual shows a decrease of **MUR 28.9M**

Increase in Rental Income also cannot be foreseen. The comparison shows an increase of some **MUR 2.656 M**.

No estimates were made for compensation from suppliers (**MUR 0.494 M**) Provision for Doubtful debts (**MUR 3.7 M**) were not expected at time of preparation of Budget following the prudence concept.

(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 2021** consequently both budget and Financial Statement is aligned to the same period.

(iii) Recurrent Expenditure Budget

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

- **Cost of sales** - The original estimate was **MUR 586 M** and due to the forecast for an increase in the purchase of produce the cost of sales has reviewed to **MUR 795 M**. Taking into consideration the fluctuation in purchase price and the additional purchase due to COVID 19 the cost of sales was overstated by **MUR 31 M**.

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- **Salaries and staff costs** - The net decrease in staff costs of **MUR 49 M** is mainly due to provision made for PRB Report which has been reported and 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 39.5 M** and due to an increase in the volume of produce stored in the cold rooms, the cost of electricity has increased considerably by some **MUR 0.4 M**.
- **Repairs and Maintenance** - Savings of **MUR 3.1 M** was due to a buffer budget allocated for repairs and maintenance of our major assets (which have already reached their optimum life cycle, to cater for any breakdown, such as cold room, machines and forklifts).
- **Insurance** - The provision for insurance of vehicles was made and there has been delay in the renewal of float and a net saving of **MUR 0.3 M** was made.
- **Motor Vehicle running expenses** - The renewal of float of vehicles has been delayed and a net saving of **MUR 0.8 M** was made.
- **Other operating expenses** - The original estimates were **MUR 10 M** to cater for expenses with regard to NWM and due to unexpected circumstances, the project has been delayed and a net saving of **7.7M** is noted.
- **Bad debts** - The provision for bad debts was made to cater for debtors with regards to Schemes. Debts more than 10 years are time barred and have very slight possibility to recoup amount due amounted to some **MUR 7.8 m**.

(iv) Recurrent Revenue Budget

- **Surplus for the year** - There is a surplus for the year of **MUR 51 M** compared to forecast of a surplus of **MUR 10.2 M** and a surplus of **MUR 18.4 M** last year. This is explained mainly by an increase in volume of dealings and quotas were not allocated to privates for food security reasons among others. The operating profit has been increased with the additional sales of agricultural products by **MUR 141. M** compared to last year. Shrinkages of **551 tonnes** of produce amounting to some **MUR 15 M**. Sale on tender amount to a shortfall of **MUR 1.3 M**.
- The revenue received on By-Catch Fish decreased from **MUR 3.1 M to MUR 0.07 M** due to Covid -19, increase in licence fee and administrative delays in processing of licenses.
- Rental income also reduced from **MUR 30.6 M to MUR 26.9 M** mainly due to the lockdown period, construction of own warehouses by privates and the decrease in storage by the Ministry of Health and Wellness.





**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR
ENDED 30 JUNE 2021**

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Year ended 30 June 2021	Year ended 30 June 2020
4 Cash and Cash Equivalents	MUR	MUR
Cash in hand	20,000	25,000
Cash at bank	588,281,515	501,529,710
	588,301,515	501,554,710
4.1 Cash - Food Security Fund Scheme		
Opening Balance	21,235,872	16,062,311
Refund	1,959,154	4,294,670
Deposit	-	880,156
Transfer to FSF	3,283,426	-
Transfer from FSF	(7,500)	-
Bank Charges	(1,380)	(1,265)
Closing Balance	26,469,572	21,235,872
5 Receivables		
Trade Receivables	51,513,942	72,223,214
Prepayments	5,412,793	1,330,741
Refundable Security Deposit	800,000	800,000
	57,726,735	74,353,955
5.1 Loans Receivable		
Staff Car Loans	3,196,238	2,950,755
Staff personal Loans	357,580	387,420
	3,553,818	3,338,175
<i>Staff Car Loans:</i>		
Current Assets		
Amount Receivable within one Year	788,140	610,610
Non-Current Assets		
Amount Receivable after one Year	2,408,098	2,340,145
	3,196,238	2,950,755
<i>Staff Personal Loans:</i>		
Current Assets		
Amount Receivable within one Year	139,351	218,560
Non-Current Assets		
Amount Receivable after one Year	218,229	168,859
	357,580	387,419
6 Inventories		
Agricultural products	68,682,663	107,565,149
Stationery	1,281,939	532,462
Spare parts	12,579,233	12,396,331
	82,543,835	120,493,942
7 Intangible Assets		
Computer Software:		
<u>Cost</u>		
Balance at start of period	1,455,661	1,382,060
Acquisitions	148,100	73,601.00
Balance at end of period	1,603,761	1,455,661
Amortisation and impairment losses		
Balance at start of period	1,177,429	939,887
Charge for the year	179,049	237,542
Balance at end of period	1,356,478	1,177,429
Carrying amounts:		
At end of period	247,283	278,232
The estimated useful life of computer software is five years		

AGRICULTURAL MARKETING BOARD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

8 PROPERTY, PLANT AND EQUIPMENT

	2%	10%	12.5%	10%	12.5%	10%	12.5%	10%	20%	10%	Total
	Building, Tarmac & Infrastructure	Plant and machinery	Stores equipment and palletisation	Motor vehicles	Motor car	Office equipment	Furniture and fittings	Computer equipment	Waterproofing		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST/ VALUATION											
At 01 July 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
Additions	-	1,633,000	4,639,723	4,300,205	-	641,586	302,753	1,315,930	-		12,833,197
Disposal	-	-	-	-	-	(47,944)	(66,381)	(1,625)	-		(115,950)
At 30 June 2021	185,454,295	132,666,540	42,374,089	7,942,506	870,000	2,180,479	4,503,589	4,303,139	10,201,288		390,495,924
DEPRECIATION											
At 01 July 2020	60,296,170	87,346,749	22,609,383	2,394,765	598,125	747,543	1,327,429	2,018,576	2,040,256		179,378,992
(Over)/Under Depreciation	-	-	-	-	-	-	-	1,445	-		1,445
Disposal	-	-	-	-	-	(29,541)	(34,521)	(1,625)	-		(65,688)
Charge for the year	9,522,898	14,009,404	4,191,154	707,251	108,750	266,685	443,967	693,359	1,020,129		30,963,596
At 30 June 2021	69,819,068	101,356,153	26,800,537	3,102,016	706,875	984,687	1,736,875	2,711,755	3,060,385		210,278,345
NET BOOK VALUE											
At 30 June 2021	115,635,227	31,310,387	15,573,552	4,840,490	163,125	1,195,793	2,766,714	1,591,384	7,140,903		180,217,578

Note:

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

8.1 ASSETS UNDER CONSTRUCTION

Assets under construction amounting to MUR 3,077,594 include projects of photovoltaic farm at Moka , asphalt work at Trou Fanfaron Cold store and business plan and BC licenses for operation of the National Wholesale Market.

8.2 LAND

AMB occupies vested land of an extent of 1300 square meters at Petit Sable.

AGRICULTURAL MARKETING BOARD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Year ended 30 June 2021	Year ended 30 June 2020
	MUR	MUR
9 Trade and Other Payables		
Trade payables	9,157,619	18,181,106
Other payables	6,043,600	12,532,180
Accruals	5,045,923	2,364,837
Deposits on rental of AMB cold rooms	4,243,679	4,398,866
Payment on account	2,009,575	4,939,137
	26,500,396	42,416,127
9.1 Employee Benefits		
Provision for passage benefits	1,367,630	1,464,045
Provision for vacation leaves	700,000	400,000
Provision for VRS	742,233	1,184,594
	2,809,863	3,048,639
10 Advance - Food Security Fund Scheme		
Opening balance	62,709,995	57,709,995
Adjustment - Grant	1,659,415	5,000,000
Adjustment - Bank Charges	(690)	-
Amount written off	(4,470,768)	-
Closing balance	59,897,952	62,709,995
10.1 Grant- Food Security Fund Scheme		
This amount represents Grant received from Ministry of Agro Industry and Food Security.	389,517	2,048,932

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Year ended 30 June 2021	Year ended 30 June 2020
	MUR	MUR
11 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:		
<i>Trade and other payables from Non-Exchange Transactions</i>		
Balance at start	13,845,677	14,411,632
Entitlement for the year	3,026,616	518,973
Amount paid during the year	(1,044,674)	(276,927)
Adjustment on amount accrued	-	(808,000)
Balance at end	15,827,619	13,845,677
Payable within one year	-	-
<i>Non-current liabilities</i>		
Payable after one year	15,827,619	13,845,677
	15,827,619	13,845,677
(b) The passage benefit is payable as follows:		
<i>Trade and other payables from Non-Exchange Transactions</i>		
Balance at start	3,586,678	3,384,120
Entitlement for the year	1,772,786	1,666,602
Amount paid during the year	(1,367,630)	(1,464,045)
Balance at end	3,991,834	3,586,678
Payable within one year	1,367,630	1,464,045
<i>Non-current liabilities</i>		
Payable after one year	2,624,204	2,122,633
	3,991,834	3,586,678
(c) The vacation leave is payable as follows:		
Balance at start	15,402,192	15,097,955
Entitlement for the year	1,613,301	628,241
Amount paid during the year	(697,290)	(324,004)
Balance at end	16,318,203	15,402,192
<i>Trade and other payables from Non-Exchange Transactions</i>		
Payable within one year	700,000	400,000
<i>Non-current liabilities</i>		
Payable after one year	15,618,203	15,002,192
	16,318,203	15,402,192

12 Retirement Benefits Obligation

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Year ended 30 June 2021	Year ended 30 June 2020
12 RETIREMENT BENEFIT OBLIGATIONS (Continued)		
Amounts recognised in the statement of financial position at end of year:		
Defined benefit obligation	355,077,005	305,587,787
Fair value of plan assets	(137,110,745)	(125,762,407)
Liability recognised in the statement of financial position	217,966,260	179,825,380
Amounts recognised in profit or loss:		
Service cost:		
Current service cost	5,074,403	5,903,911
Employee Contributions	(2,125,077)	(2,185,183)
Fund expenses	361,115	175,112
Net Interest expense /(income)	6,315,138	5,624,336
Profit and Loss Charge	9,625,579	9,518,176
Remeasurement		
Liability (gain) / loss	51,715,468	34,629,266
Assets (gain) / loss	(2,946,724)	(6,169,791)
Net Assets / Equity (NAE)	48,768,744	28,459,475
TOTAL	58,394,323	37,977,651
Movement in liability recognised in statement of financial position:		
At start of year	179,825,380	162,421,435
Amount recognised in Profit and Loss	9,625,579	9,518,176
Past Service Funding	(12,880,000)	(12,880,000)
Direct benefits paid	(611,685)	-
Contributions and direct benefits paid by employer	(6,761,759)	(7,693,706)
Amount recognised in NAE	48,768,744	28,459,475
At end of year	217,966,259	179,825,380

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

12 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	

Year ended 30 June 2021	Year ended 30 June 2020
MUR	MUR

305,587,787	270,071,935
5,074,403	5,903,911
10,848,367	9,587,554
(18,149,021)	(14,604,879)
51,715,468	34,629,266
355,077,005	305,587,787

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)	

125,762,407	107,650,500
4,533,229	3,963,218
6,761,759	6,746,803
12,880,000	12,880,000
2,125,077	2,185,183
(17,898,451)	(13,833,088)
2,946,724	6,169,791

Fair value of plan assets at end of period

137,110,745	125,762,407
--------------------	--------------------

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	

Jun-21	Jun-20
54.8%	61.7%
2.8%	3.0%
11.8%	10.1%
30.1%	24.6%
0.5%	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	0%
Property occupied by the entity	0%
Other assets used by the entity	0%

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

12 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 ended 30 June 2021	Year ended 30 June 2020
MUR	MUR
2,946,724	6,169,790
(51,715,468)	(34,629,266)
(48,768,744)	(28,459,476)

Year 2020/21 : 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)

MUR 7M

13years

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

Year ended 30 June 2021	Year ended 30 June 2020
4.8%	3.6%
3.0%	2.40%
2.0%	1.40%

A 6770 Ultimate Tables

PA (90) Tables rated down by 2 years

65 YEARS

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 40.4M (increase by MUR 49.3M) if all other assumptions were held unchanged.

- If the expected salary growth would increase (decrease) by 100 basis points, the defined benefit obligation would increase by MUR 18.4M (decrease by MUR 16.4M) if all assumptions were held unchanged.

- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by MUR 10.7 M (decrease by MUR 10.6M) 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.

13 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 2021	Year ended 30 June 2020
MUR	MUR
2,305,360	3,489,954
(742,233)	(1,184,594)
1,563,127	2,305,360
742,233	1,184,594
820,894	1,120,766
1,563,127	2,305,360

AGRICULTURAL MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

14 TURNOVER

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

PRODUCE	Year ended 30 June 2021		Year ended 30 June 2020	
	Quantity tonnes	Amount MUR	Quantity tonnes	Amount MUR
Imported Potatoes	10293	285,752,540	6744	176,935,977
Local Potatoes	2513	74,330,120	3694	103,997,122
Imported Onions	12214	363,887,598	10227	305,034,978
Local Onions	628	19,513,074	118	3,362,920
Rodrigues Onions	31	1,059,728	12	514,517
Imported Seed Potatoes	630	19,057,123	353	13,186,102
Local Seed Potatoes	253	6,390,253	822	22,230,708
Imported Garlic	1910	208,892,316	1901	209,816,669
Local Garlic	6	515,530	7	700,290
Imported Bean Seeds	3	705,425	5	1,155,850
Imported Onion Seeds	-	-	0.001	57,200
Local Onion Seeds	27	2,773,945	15	2,159,235
Imported Cardamom	1	1,087,995	0.37	561,530
Imported /Local Carrots	70	2,785,280	66	3,797,101
Imported Turmeric Powder	7	651,850	8	756,300
Others	0	5,515,002	-	7,319,489
TOTAL TURNOVER		992,917,778		851,585,988

15 OTHER INCOME

	Year ended 30 June 2021	Year ended 30 June 2020
	MUR	MUR
Commission on By-Catch Fish	73,240	3,105,859
Interest on bank balances	2,261,608	6,274,959
Interest on staff Loan	170,617	162,885
Rental Income*	26,910,826	30,612,978
Compensation from suppliers	3,392,818	1,898,252
Finance Income - Outstanding Receivables	242,140	120,979
Insurance Claims	10,879	91,690
Uncertified seeds	241,856	355,642
Gain on FOREX	3,543,963	-
Other Revenue	860,755	1,521,796
Other Income	37,708,702	44,145,039

*Rental Income is derived from storage facilities to Importers, Exporters and other private operators.

16 COST OF SALES

Cost of sales:	Year ended 30 June 2021	Year ended 30 June 2020
	MUR	MUR
Opening stock	107,565,149	71,847,379
Purchases	724,651,265	746,020,914
Closing stock	(68,682,663)	(107,565,149)
	763,533,751	710,303,144

AGRICULTURAL MARKETING BOARD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Year ended 30 June 2021	Year ended 30 June 2020
	MUR	MUR
17 STAFF COSTS		
Basic Salary	45,369,628	44,611,056
Overtime Payment	5,914,657	6,975,733
Travelling	5,886,169	5,403,508
Responsibility Allowance	520,176	2,254,067
Other Pay	45,705	108,401
Sick Leave	-	861,096
Meal Allowance	84,355	151,970
Pension Benefit Scheme	9,625,579	9,518,176
Pension Contribution Scheme	1,021,104	671,160
FPS contribution	877,623	840,311
Medical Scheme contribution	3,115,760	2,657,139
NPS contribution	2,804,513	979,765
End of Year Bonus	3,832,551	1,905,848
Passage Benefit	1,772,786	1,666,602
Compensation	2,582,010	1,092,650
Increase in Provision for vacation leave	1,613,301	628,241
Increase in Provision for sick leave	3,026,616	518,973
Staff Uniform & Protective Equipment	631,727	862,070
Training	79,000	107,246
	88,803,260	81,814,011
18 ADMINISTRATIVE EXPENSES		
Electricity, water and telephone	40,720,110	39,330,603
Repairs and maintenance	11,038,695	8,088,545
Insurance	1,203,243	1,247,662
Legal and professional fees	790,204	877,067
Motor vehicles running expenses	1,166,214	743,886
Board members fees	905,189	648,377
Security services	4,258,450	2,924,409
Consultancy fees	17,250	565,510
General expenses Store	1,047,290	1,675,228
Waste Disposal	109,801	251,355
Compensation to dealers	1,664,602	3,015,348
National Wholesale Market	6,341	356,710
Postage, printing and stationery	1,478,186	1,371,573
Advertising	98,912	325,788
Audit fees	275,000	275,000
General expenses Administration	2,174,220	1,636,629
Rent payable	87,741	243,608
67,041,447.47	67,041,447	63,577,297
19 OTHER EXPENSES		
Donations	146,853	-
Bad Debts	4,101,707	2,522,045
Increase in provision for bad debts	3,748,990	-
Depreciation	31,142,645	30,545,429
Loss on foreign exchange transactions	23,457,025	3,147,462
Impairment loss	50,262	46,171
	62,647,482	36,261,107

AGRICULTURAL MARKETING BOARD NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

20 Related Party Transactions

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 2021 MUR	Year ended 30 June 2020 MUR
(i) Grant received from Government	-	5,000,000
(ii) Compensation to key Management Personnel	905,189	648,377
Fees to Board Members		
Management Personnel Compensation	9,214,150	8,336,402
	10,119,339	13,984,779

21 Prior Year Adjustments

Being adjustment for Rental

Being adjustment for refund in kind - 2018 (43T Onions)

Being adjustment of opening balance brought forward as recommended by NAO & Approved at 639th Board's meeting of 2th August 2021

Being adjustment of excess deposit refunded to MRA as recommended by NAO & Approved at the 639th Board's meeting of 26th August 2021

Year ended 30 June 2021 MUR
144,144
1,259,780
62,462.60
40,000.00
1,506,386

22 Segment Reporting

	POTATOES		ONIONS		GARLIC		EED POTATO		ONION SEED	IMPORTED TURMERIC	IMPORTED BEAN SEEDS	IMPORTED CARDA-MOM	OTHERS	TOTAL
	LOCAL	IMPORTED	LOCAL	IMPORTED	LOCAL	IMPORTED	LOCAL	IMPORTED						
REVENUE	77.6	299.8	20.3	381.4	1.1	211.8	6.7	20.0	2.8	0.7	1.1	0.7	8.4	1,033
Less: COST OF OPERATION	79.7	305.1	21.4	401.3	1.4	111.6	10.3	30.8	4.3	0.4	0.9	0.6	12.9	982
NET SURPLUS/(DEFICIT)	(2.1)	(5.4)	(1.0)	(19.9)	(0.3)	100.2	(3.5)	(10.8)	(1.4)	0.3	0.2	0.1	(4.5)	51

"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 51M** for the year ended **30 June 2021** is made up as shown above. Deficits on these products are cross subsidized from surpluses on sales of other products."

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