



SUGAR INSURANCE FUND BOARD

Annual Report 2005 – 2006

TABLE OF CONTENTS

Chairman's Letter	3
Board Members	4
Board Committees	5
Senior Management	6
Addresses of Offices	7
Letter to Insureds	8
Crop 2005: General Outlook	9
Appendix A:	
Report from the Director of Audit & Audited Accounts for the year ended 30 June 2006	17
Appendix B:	
Statistical & Financial Tables	50
Glossary	61

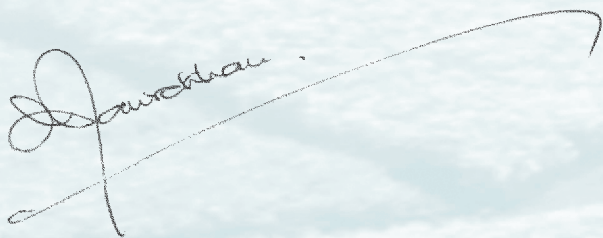
CHAIRMAN'S LETTER

The Honourable Rama Krishna Sithanen,
Deputy Prime Minister and
Minister of Finance and Economic Development
Port-Louis

Dear Sir

The Board is pleased to present the Annual Report and the Audited Accounts of the Sugar Insurance Fund for the year ended 30 June 2006.

Yours faithfully

A handwritten signature in black ink, appearing to read 'J. Manrakhan', with a long, sweeping horizontal line extending to the right.

(Professor J. Manrakhan) G. O. S. K.
Chairman
Sugar Insurance Fund Board

24th October 2007

MEMBERS OF THE BOARD

1 JULY 2005 – 30 June 2006

Professor. J. Manrakhan, G.O.S.K.	Chairman
Mr P. Beeharry	Representative of the Ministry of Finance and Economic Development
Mr J. C. Béga	Representative of Millers
Mr K. Bhuruth	Representative of Planters
Mr D. Bundhoo	Representative of the Director General (Economic Division) of the Ministry of Finance and Economic Development
Mr O.K Dabidin (up to 22.09.05)	Representative of the Ministry of Agro Industry and Fisheries
Mr C. Bhugun (as from 20.10.05)	
Mr G. Leung Shing	Representative of the Mauritius Chamber of Agriculture
Mr D. Pilot	Representative of Planters
Dr G. Rajpati	Representative of the Mauritius Sugar Authority
Mr J. Seegobin	Representative of Planters
Mr D. Valaydon (up to 18.08.05)	General Manager, Cane Planters and Millers Arbitration and Control Board
Mr Cheung Kai Suet (as from 15.09.05)	

BOARD COMMITTEES

Investment Committee

Professor J. Manrakhan, GOSK

Mr P. Beeharry

Mr. G. Leung Shing

Mr J.C. Béga

Chairman

Ex-Officio member, Deputy Chairman

Representative of Chamber of Agriculture

Member

Staff Committee

Mr P. Beeharry

Mr K. Bhuruth

Mr O.K. Dabidin (up to 22.09.05)

Mr. Bhugun (as from 20.10.05)

Mr J. Seegobin

Chairman

Members

Assessment Committee

Dr G. Rajpati

Mr K. Bhuruth

Mr D. Pilot

Mr D. Valaydon (up to 18.08.05)

Mr. Cheung Kai Suet (as from 15.09.05)

Chairman

Members

Budget & Procurement Committee

Mr G. Leung Shing

Mr K. Bhuruth

Mr D. Bundhoo

Chairman

Members

Audit Committee

Mr. J.C Béga

Mr D. Bundhoo

Mr J. Seegobin

Chairman

Members

SENIOR MANAGEMENT

General Manager	Mr. Diness PURRYAG
Chief Manager (Information Systems Services)	Mr. Yan LOCK SON
Chief Manager (Finance)	Mr. Luchmeenarain KISHTO
Chief Manager (Operations)	Mr. Yung Kiong J. NEWK FON HEY TOW
Senior Software Engineer	Mr. Mohamed Y.M.A.F.E. PEERMAMODE
Senior Network Engineer	Mr. Johnny S.S. CHONG CHAP SIN
Manager (Survey)	Mr. Deorajnuth GANSAM
Administrative Secretary	Mr. Pritam S. MATTAN
Manager (Inspection)	Mr. Krishnamoorthy P. VAYAPOOREE
Internal Auditor	Mr. Youveraj NATHOO

Legal Advisers

- 1 G. A. Robert, OBE, Senior Attorney
- 2 State Law Office

Auditors

- 1 Director of Audit, National Audit Office

Main Bankers

- 1 State Bank of Mauritius Ltd.
- 2 Mauritius Commercial Bank Ltd.
- 3 Barclays Bank Ltd.
- 4 Bank of Baroda
- 5 SBI International Ltd.

ADDRESSES OF OFFICES

Head Office

18 Sir S. Ramgoolam Street
 Port Louis
 Tel: 208-3236
 Fax: 208-2634
 E-Mail: s.i.f.b@intnet.mu

Sub-Offices	Address	Factory Areas
Camp de Masque	Royal Road Camp de Masque Tel: 416-5520	Beau Champ
Mare D'Albert	18 Royal Road Mare D'Albert Tel: 627-4026	Mon Trésor Riche En Eau Savannah
Pamplemousses	Royal Road Maison Blanche Pamplemousses Tel: 243-3542	Belle Vue Mon Loisir
Quartier Militaire	New Road Quartier Militaire Tel: 435-5543	F.U.E.L Mon Désert Alma
Souillac	Royal Road Souillac Tel: 625-5691	St Félix Union
Vacoas	Independence Road Vacoas Tel: 696-6386	Medine

LETTER TO INSUREDS

Dear insureds,

We are pleased to present the financial statements of the Sugar Insurance Fund ending 30th June 2006. The accounts have been prepared within the best practices applicable to insurance entities and in line with International Financial Reporting Standards. Following three consecutive years of surpluses, the Fund's reserves have been further consolidated to reach 3.452 billion rupees. An actuarial review undertaken against a backdrop of serious challenges facing the sugar industry has been completed and adopted in March 2006. With following-up legislation, and executive action, insurance terms are being relaxed and incentive will be given to planters regrouping into larger production units.

CROP 2005 - GENERAL OUTLOOK

Cane growth in all regions was affected by excessive rainfall with periodical drought prevailing in the North and West. The prolonged wet weather conditions during the maturation period further negatively impacted on cane growth and maturation.

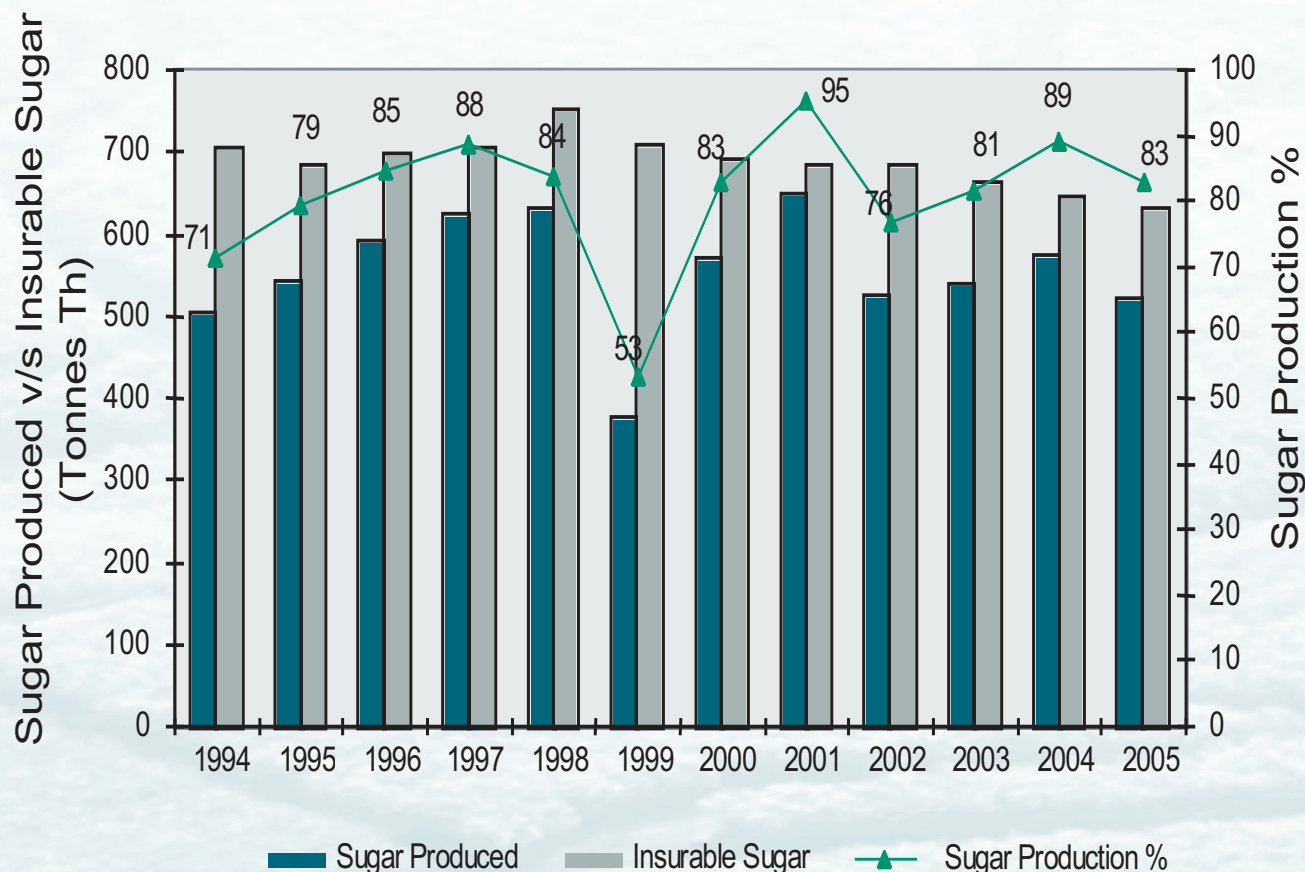


Chart 1 – production as a percentage of TIS

On 20th December 2005, the Board declared the factory areas of Mon Desert Alma, Deep River Beau Champ, FUEL, Mon Tresor, Riche En Eau, St. Felix, Savannah and Union St. Aubin an event year on account of excessive rainfall. On obtention of more precise data, the Board on 19th January 2006 subsequently declared the remaining factory areas namely, Belle Vue, Mon Loisir and Medine an event year on account of drought and excessive rainfall.

The percentage production crop 2005 is comparable to the percentage production Crop 2000. Regions comparatively with low normal average rainfall generally had better crop results, thus sugar produced in the factory area of Medine with a percentage production of 96% topped the list whereas the factory area of Mon Desert Alma recorded the lowest sugar production.

Chart 2 below illustrates sugar production percentages, total sugar produced and total insurable sugar by factory area.

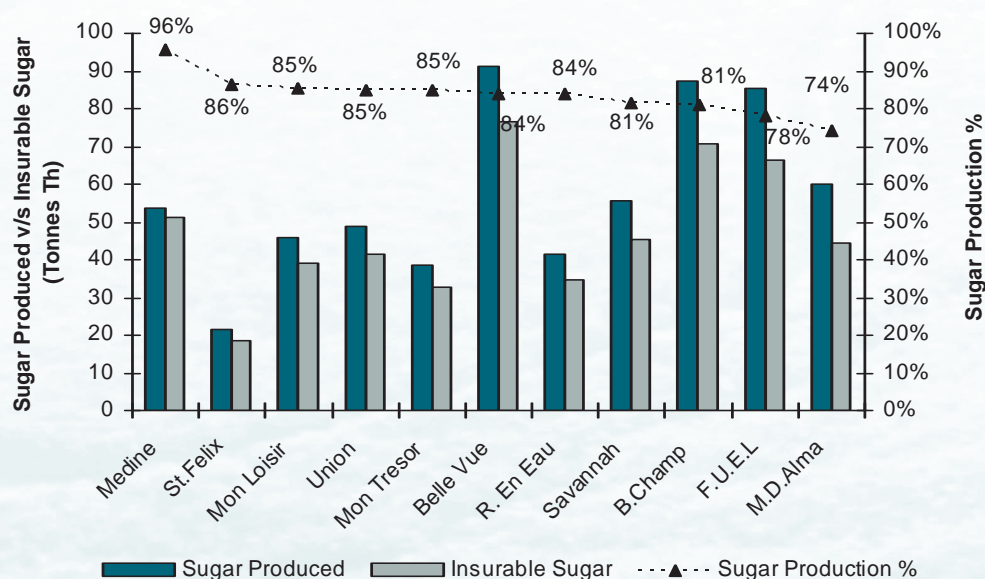


Chart 2

Area harvested and number of planters

The total extent of land under cane cultivation was recorded as being 73,267 hectares inclusive of extents under plant canes and cane setts. The harvested area declined by 2% to some 67,404 hectares, while the number of planters declined by 3% reaching some 26,898 planters (see table XV).

Records pertaining to harvest extent and number of planters are shown at Chart 3. The increase in harvest extent and number of planters for crop years between 1997 to 1999 was essentially due to conversion of land under tea cultivation to cane cultivation.

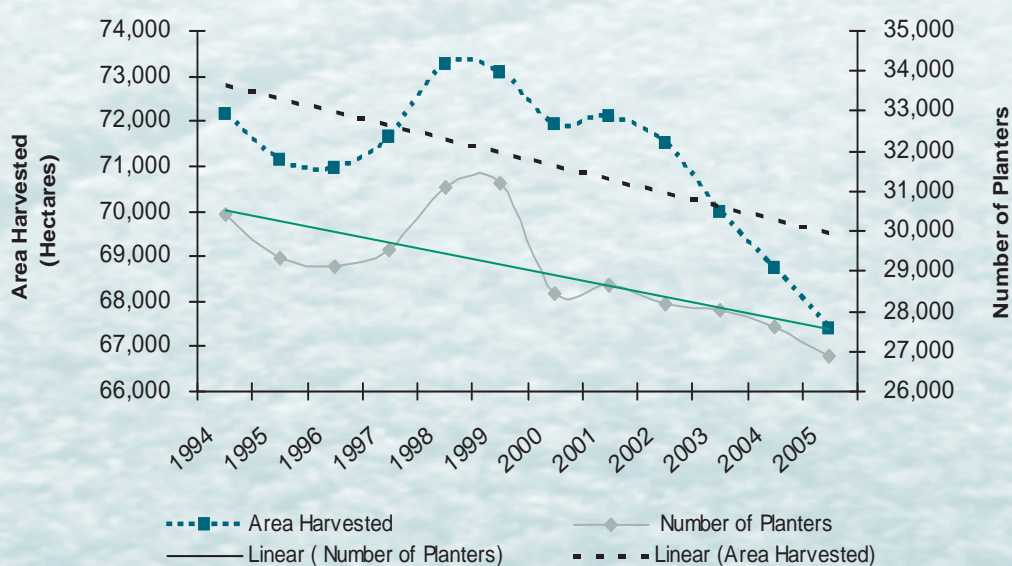


Chart 3

Fire Insurance

With adoption of the International Financial Reporting Standard (IFRS), fire insurance covers for crop 2004 (restated figure) and crop 2005 are in deficit. The total compensable extent under cane damaged by fire was recorded as 246 hectares as a result of which an amount of Rs9.9Million was paid as compensation to 246 insureds.

Reinsurance

The Fund reinsured part of its liabilities by way of an aggregate excess of loss cover of 150% of the Gross Premium Income (GPI) and that in excess of 150% of GPI inclusive of 15% co-reinsurance share. The gross cost of the cover (now termed insurance premium ceded to reinsurers in the Financial Statement) was 12.5% of GPI with the broker rebating 36% of its earned commission to the Fund. The loss ratio being 64% resulted in no recovery from reinsurers.

Financial Review

Statutory provisions (the Financial Reporting Act 2004) require the Board, as a "Public Interest Entity", to prepare and submit its Financial Statements in accordance with International Financial Reporting Standards (IFRS) with effect from the Financial Year 2006-2007. In pursuit of the need to constantly improve the quality of information and apply best practices in financial reporting, the Board has decided to apply IFRS for the first time for the 2005-2006 Financial Statements, i.e. one year ahead of the statutory implementation deadline. The adoption of IFRS has resulted in significant changes to the accounting policies and presentation as summarised below:

- ◆ Compensation and premium are now accounted for on a current Crop Year basis (Crop 2006) rather than on a past Crop Year basis (Crop 2005), departing from the traditional basis of reporting premium and compensation on a cash/accrual basis to a purely accrual basis. This accounting policy is in accordance with IFRS 4 Insurance Contracts, which requires the estimation of compensation payable and premium receivable for the current Crop Year as at 30 June 2006 (see note 4 of the Notes to the Financial Statements).
- ◆ The carrying amounts of some of the Fund's assets and liabilities are now stated at fair values;
- ◆ The notes and disclosures accompanying the Financial Statements are more extensive, elaborate and consistent with the requirements of IFRS;
- ◆ The reclassification of various reserves which were reported separately in the previous Financial Statements;
- ◆ Provisions for passage benefits (previously the Passage Benefits Fund) and retirement benefit obligations (previously the Staff Pension Fund) have been reclassified as liabilities;
- ◆ The Pension Fund is no longer stated as an asset of the Fund;
- ◆ The comparative figures for the Financial Year 2004-2005 have also been re-stated in line with IFRS.

Financial Performance

During the financial year under review, the Board incurred a total net surplus of Rs 301.49 million (General and Fire) compared to a surplus of Rs 299.94 million in 2005 (as restated), representing an increase of 0.52% over the previous financial year. The surplus is mainly attributable to higher investment income (Rs 170.5 million against Rs 144 million) and lower re-insurance costs (Rs 99 million against Rs 115 million) compared to the previous year. The gains arising on investments and reinsurance costs was mitigated by deficiencies arising on premium income (Rs 849 million against Rs 896 million) and compensation (Rs 583.6 million against Rs 575.7 million). The insurance compensation payable includes a provision of Rs 583.6 million (2005: Rs 575.7 million) to reflect the adverse conditions and factors affecting the Crop Year 2006.

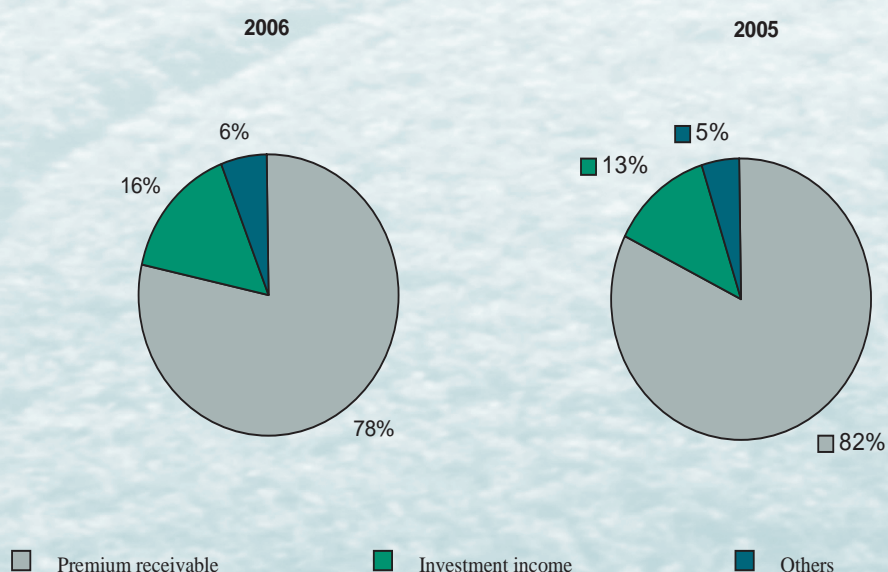
Table 1: Income and Expenditure summary

Item	General Fund Rs million	Fire Fund Rs million	Total Rs million
Total Income	1,079	6	1,085
Total Expenditure	773	10	783
Total Net Surplus/(Deficit)	306	(4)	302

Income

Total income for the year amounts to Rs 1,085 million, representing a decrease of 0.55% as compared to the previous year. The decrease in income is being mainly due to lower premiums receivable, mitigated by fair value gains on investments held and higher investment income.

The composition of income is shown below:



Insurance Premium

The effect of the 5% reduction in sugar price on the preferential market has been partly offset by the appreciation of the Euro vis à vis the Mauritian Rupee. The lower premium (general and fire) is a combined effect of both reduction in sugar price and a lower Total Insurable Sugar (TIS) itself as a result of decreasing harvest extent.

The composition of premium income is as shown follows:

Table 2: Premium Income

Premium	Total Rs million
General Premium	843
Fire Premium	6
Total	849

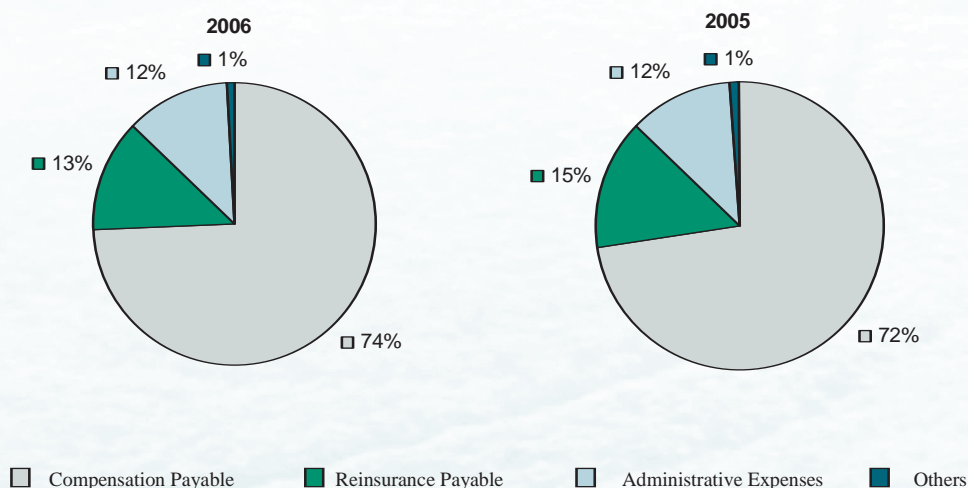
Investment Income

Investment income increased by 19% during the financial year to reach Rs 171 million. The positive performance can be attributed to an increase in funds available for investment purposes coupled by a prudent and selective investment strategy involving the re-balancing of the composition and the terms of the Fund's portfolio to capitalize on benefits resulting from market evolution, local and foreign. In general, returns on Treasury Bills and Treasury Notes were more attractive than the previous year. The Fund also benefited from the effect of the appreciation of the value of foreign currencies, on its foreign currency reserves as well as a higher rate of interest receivable in these investments.

As stated earlier, the whole of the Investment Portfolio is now stated at fair value. The average return on a fair value basis has increased from 5.48% to 5.95% while on a cost basis it has increased from 6.40% to 7.06%.

Expenditure

The overall expenditure of the Fund decreased by Rs 10 million to reach Rs 783 million during the year. Lower reinsurance costs from Rs 115 million to Rs 97 million were partly offset by higher general and fire compensations of Rs 584 million in comparison to Rs 576 million as shown below:



Insurance Premium ceded

Insurance premium ceded to reinsurers during the financial year amounted to Rs 99 million (2005: Rs115 Million).

Accumulated Fund

As a result of the surplus, the Accumulated Fund, which comprises of the General Fund, the Fire Fund, and the Housing Fund, increased from Rs 2.62 billion to Rs 2.93 billion during the financial year, representing an increase of 11.8%.

The composition of the Accumulated Fund is as shown below:

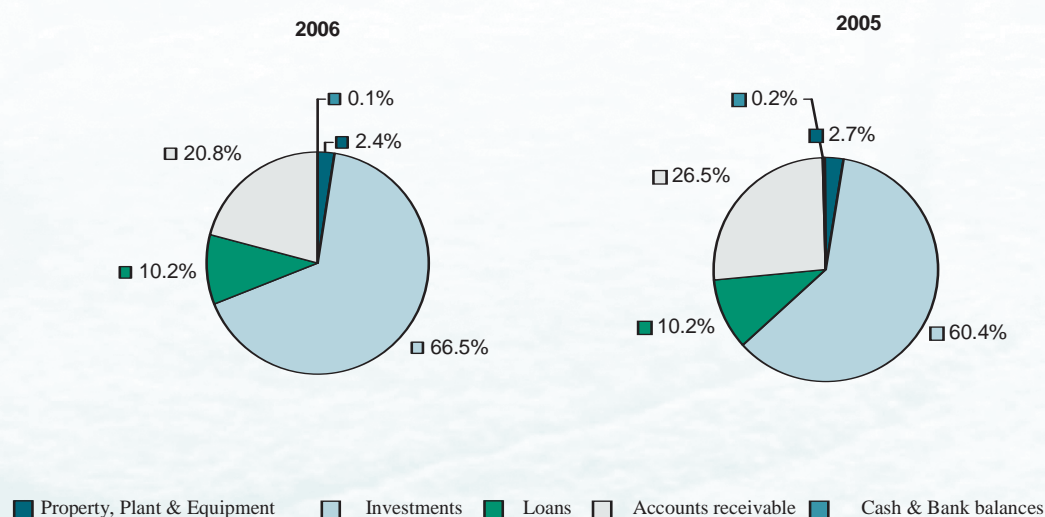
Table 3: Accumulated Fund

Fund	Total Rs million
General	2,883
Fire	23
Housing	19
Total	2,925

Assets under management

Total assets under management, as shown below, amounted to Rs 4.2 billion as at 30 June 2006 (Rs 3.79 billion in 2005), thus showing an increase of 10.82%. Investments are stated on a fair value basis. Land and Buildings were revalued in June 2002.

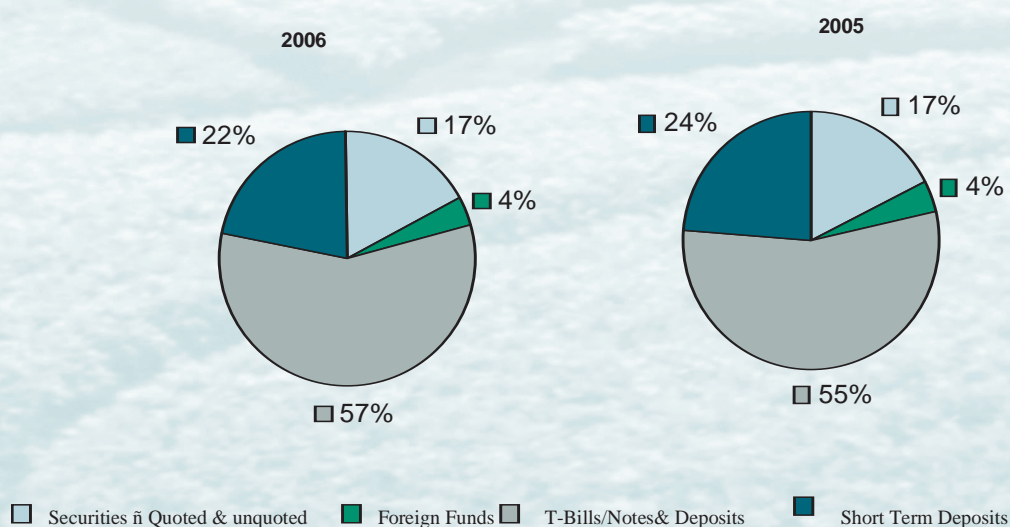
An analysis of total assets under management is as follows:



Investments

The year under review recorded an increase in the value of investments from Rs 2.29 billion to Rs 2.78 billion, representing a progression of 21.40%. Following the report of the consulting actuaries and prevailing market conditions, the Fund has continually followed a prudent investment strategy based on the need to maintain liquidity, a diversified portfolio and fairly stable returns.

An analysis of investments is shown below:



Acknowledgements and Thanks

The Board wishes to thank the staff for their contribution and other organisations for their collaboration.

It was therefore decided to amend the law to provide that in any year being made to apply only in the area specified in such declaration. It is hoped to amend Ordinance on these lines in the near future.

There has been some delay in collecting the premium of insurance which, according to the law, should have been paid in December, 1946. Such delays are inevitable at the start of a scheme of this nature—as pointed out in para. 2 of the report for the year ending 31st March, 1947, and there has been a delay in obtaining the figures of production and yield for the basic years 1941, 1942 and 1943 from the Department of Agriculture. So far an amount of Rs. 2,312,552.17 out of a total of Rs. 3,000,000 has been paid.

The calculation of sugar for any given year is not known until September in the following year. In order to make a double calculation of individual claims it has been decided to submit provisional claims for a year's crop based on the total average amount of the deductions used in the calculation of individual claims. When the final net individual claims would be submitted and the

into practice this year and a provisional insurance of the 1948 sugar crop was made on 10th December, 1947. The Syndicate has made the first instalment of Rs. 2,000,000 has been paid. Further instalments will be paid from the sale of sugar.

its disposal at its inception, an order of the Council of Government to defray the cost of this vote was approved by the

expenditure incurred during the year ending 31st December, 1947. The receipts into and out of the fund from July to 31st December.

of the services rendered by the Board's office staff.

EUGENE S. O'CONNOR,
Chairman.

21st February, 1948.

23rd February, 1948.

3 CYCLONE AND DROUGHT INSURANCE FUND Payments for period 1.3.47 to 30.6.47

Month	MANAGEMENT EXPENSES		
	Salaries	Office Contingencies	Total
March...	Rs. c.	Rs. c.	Rs. c.
April ...	653.30	523.68	1,176.98
May ...	*10.21	599.98	1,301.19
June ...	685.00	1.38	686.38
TOTAL ...	2,759.51	1,714.74	2,434.75
*Difference War Bonus.			5,979.29

CYCLONE AND DROUGHT INSURANCE BOARD Income and Expenditure ACCOUNT FOR YEAR ENDED 31ST DECEMBER, 1947

EXPENDITURE		INCOME	
Salaries ...	Rs. c.	Premium on 1947 Crop ...	Rs. c.
Inspector's fees ...	4,616.45		2,193,577.44
Incidentals ...	250.00		
Bank charges ...	283.88		
Balance being surplus for the year ...	10,359.99		
TOTAL ...	2,178,067.12		
	2,193,577.44		
		TOTAL ...	2,193,577.44

BALANCE SHEET AS AT 31ST DECEMBER, 1947

LIABILITIES		ASSETS	
Balance of Fund on 31st December, 1947 ...	Rs. c.	Cash at Bank...	Rs. c.
	2,178,067.12	Cash with Accountant General ...	630.21
TOTAL ...	2,178,067.12	Investments ...	102,889.07
		Office furniture ...	2,072,000.01
		TOTAL ...	2,547.83
			2,178,067.12

J. O. TERRIÈRE, Secretary,
Cyclone and Drought Insurance Board.

EUGENE S. O'CONNOR, Chairman,
Cyclone and Drought Insurance Board.

Examined :

F. R. COLLINS,
Principal Auditor.
1186/248-125





SUGAR INSURANCE FUND BOARD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2006

NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE CHAIRPERSON OF THE SUGAR INSURANCE FUND BOARD

I have audited the accompanying balance sheet of the Sugar Insurance Fund Board as of 30 June 2006, and the related statements of income, and cash flows for the year then ended. These financial statements are the responsibility of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Audit opinion

In my opinion, the financial statements give a true and fair view of the state of affairs the Sugar Insurance Fund board as of 30th June 2006, and of its income and expenditure for the year then ended in accordance with International accounting Standards and comply with the Statutory Bodies (Accounts and Audit) Act 1972.



(R. JUGURNATH)

Director of Audit

National Audit Office

14th Floor, Air Mauritius Centre
Port Louis

4 May 2007

BALANCE SHEET

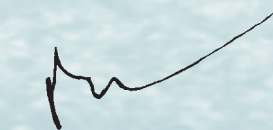
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 MUR	2005 (Restated) MUR
NON-CURRENT ASSETS			
Property, plant and equipment	7	101,965,668	101,701,406
Investments in securities and deposits	8	1,305,966,263	1,082,151,742
Long term loans	9	73,819,549	84,545,040
		1,481,751,480	1,268,398,188
CURRENT ASSETS			
Accounts receivable	10	868,103,894	1,005,946,457
Investments in securities and deposits	8	867,884,075	662,630,230
Short term loans	11	351,839,309	301,033,947
Bank and cash balances		4,317,405	7,507,030
Short term deposits		607,374,937	548,478,407
		2,699,519,620	2,525,596,071
TOTAL ASSETS			
		4,181,271,100	3,793,994,259
EQUITY AND LIABILITIES RESERVES			
Accumulated funds		2,924,984,713	2,621,624,250
Revaluation reserves		527,369,299	440,204,853
TOTAL EQUITY			
		3,452,354,012	3,061,829,103
NON-CURRENT LIABILITIES			
Provision for staff passage benefits	12	5,980,260	5,974,797
Retirement benefit obligations	13	85,030,000	91,210,000
		91,010,260	97,184,797
CURRENT LIABILITIES			
Accounts payable	14	637,906,828	634,980,359
TOTAL EQUITY AND LIABILITIES			
		4,181,271,100	3,793,994,259

Approved by the Board of Directors and authorised for issue on



Chairperson



Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

GENERAL INSURANCE ACCOUNT

Insurance premium
Co-reinsurance premium
Insurance premium ceded to reinsurers

Net insurance premium

Insurance compensation

Investment income
- Interest income
- Dividends
Other income
Exchange gain on revaluation of foreign deposits
Creditors written back

Net income

Operating expenses

Administrative
Retirement benefits (release)/charge
Depreciation
Actuarial fees
Debtors written off

Total operating expenses

Surplus to General Fund for the year

FIRE INSURANCE ACCOUNT

Insurance premium

Insurance compensation

Creditors written back

(Deficit) to Fire Fund for the year

Total surplus for the year

Notes

2006	2005
MUR	(Restated) MUR
843,333,422	889,720,101
15,812,502	23,844,169
(98,956,256)	(114,970,722)
760,189,668	798,593,548
(573,706,449)	(564,230,010)
186,483,219	234,363,538
160,532,605	134,631,935
10,008,946	9,391,592
577,764	2,331,006
41,953,626	20,039,808
6,764	4,808,629
399,562,924	405,566,508
94,473,918	94,159,715
(6,180,000)	2,830,000
3,700,530	3,167,073
1,173,000	235,750
1,142,140	1,583,003
94,309,588	101,975,541
305,253,336	303,590,967
6,104,257	6,291,972
(9,866,192)	(11,488,012)
(3,761,935)	(5,196,040)
-	1,541,504
(3,761,935)	(3,654,536)
301,491,401	299,936,431

17

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2006

	General Fund MUR	Fire Fund MUR	Revaluation reserves		Staff Pension Fund MUR	Staff Housing Fund MUR	Staff Passage Benefit Fund MUR	Total MUR
			Property MUR	Investments MUR				
At 1 July 2004:								
- As previously reported	2,060,140,494	27,928,221	65,856,303	-	193,995,613	24,556,701	8,444,746	2,380,922,078
- Effects of IFRS adoption	204,673,983	2,444,332	(1,046,862)	311,489,453	(193,995,613)	-	(8,444,746)	315,120,547
- As restated	2,264,814,477	30,372,553	64,809,441	311,489,453	-	24,556,701	-	2,696,042,625
Movement during the year	4,800,000	-	-	-	-	(3,204,866)	-	1,595,134
Revaluation reserves realised	-	-	-	(1,292,850)	-	-	-	(1,292,850)
Increase in fair value of available-for-sale investments	-	-	-	65,547,763	-	-	-	65,547,763
Transfer	348,954	-	(348,954)	-	-	-	-	-
Net surplus/(deficit) for the year	303,590,967	(3,654,536)	-	-	-	-	-	299,936,431
At 30 June 2005	2,573,554,398	26,718,017	64,460,487	375,744,366	-	21,351,835	-	3,061,829,103
At 1 July 2005:								
- As previously reported	2,507,213,079	31,914,057	65,856,303	-	213,874,181	21,351,835	8,355,239	2,848,564,694
- Effects of IFRS adoption	66,341,319	(5,196,040)	(1,395,816)	375,744,366	(213,874,181)	-	(8,355,239)	213,264,409
- As restated	2,573,554,398	26,718,017	64,460,487	375,744,366	-	21,351,835	-	3,061,829,103
Movement during the year	4,003,475	-	-	-	-	(2,483,367)	-	1,520,108
Increase in fair value of available-for-sale investments	-	-	-	87,013,600	-	-	-	87,013,600
Increase in fair value of motor vehicles	-	-	499,800	-	-	-	-	499,800
Transfer	348,954	-	(348,954)	-	-	-	-	-
Net surplus/(deficit) for the year	305,253,336	(3,761,935)	-	-	-	-	-	301,491,401
At 30 June 2006	2,883,160,163	22,956,082	64,611,333	462,757,966	-	18,868,468	-	3,452,354,012

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

OPERATING ACTIVITIES

Net surplus for the year

Adjustments for:

Provision for passage benefits

Movement in Staff Housing Fund

Depreciation

Investment income

Loss on sale of assets

Gain on disposal of investments

Retirement benefits (release)/charge

**OPERATING SURPLUS BEFORE
WORKING CAPITAL CHANGES**

Decrease/(increase) in accounts receivable

Increase in accounts payable

NET CASH GENERATED FROM OPERATING ACTIVITIES**INVESTING ACTIVITIES**

Purchase of investments

Proceeds from investments matured/sold

Payment of passage benefits

Purchase of plant and equipment

Proceeds from sale of plant and equipment

NET CASH USED IN INVESTING ACTIVITIES**FINANCING ACTIVITIES**

Short term loans granted

Proceeds from short term loans

Net proceeds from/(repayment) of long term loans

Proceeds from Staff Housing Fund

NET CASH USED IN FINANCING ACTIVITIES**NET INCREASE IN CASH AND CASH EQUIVALENTS
CASH AND CASH EQUIVALENTS AT 1 JULY****CASH AND CASH EQUIVALENTS AT 30 JUNE****REPRESENTED BY:**

Bank and cash balances

Short term deposits

2006	2005 (Restated)
MUR	MUR
301,491,401	299,936,431
2,385,463	2,349,155
(2,483,367)	(3,204,866)
3,700,530	3,167,073
(71,983,066)	-
17,168	5,255
-	(1,810,210)
(6,180,000)	2,830,000
226,948,129	303,272,838
137,850,109	(31,394,063)
2,926,911	198,178,355
367,725,149	470,057,130
(1,047,744,204)	(513,484,843)
777,672,504	366,460,136
(2,380,442)	(2,438,662)
(3,502,665)	(706,387)
20,505	19,833
(275,934,302)	(150,149,923)
(292,950,724)	(303,852,372)
242,145,362	417,252
10,717,945	14,068,214
4,003,475	4,800,000
(36,083,942)	(284,566,906)
55,706,905	35,340,301
555,985,437	520,645,136
611,692,342	555,985,437
4,317,405	7,507,030
607,374,937	548,478,407
611,692,342	555,985,437

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

1. LEGAL FORM AND MAIN OBJECTIVE

The Sugar Insurance Fund Board ("the Fund") is a para-statal body established under the Sugar Insurance Fund Act No 4 of 1974 (as subsequently amended) and operates under the aegis of the Ministry of Finance. Its main objective is to operate a Crop Insurance Scheme for sugar producers.

2. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The accounting policies of the Fund were changed on 1 July 2005 to comply with IFRS. The transition to IFRS is accounted for in accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards with 1 July 2004 as the date of transition. The changes in accounting policies as a consequence of the transition to IFRS are described below, and the reconciliations of the effects of the transition to IFRS are presented in the notes to the first IFRS financial statements.

The transition to IFRS resulted in the following changes in accounting policies:

(a) Staff Pension Fund

The financial position of the Staff Pension Fund, a defined benefit plan, is no longer shown as an asset and a liability on the balance sheet. Under International Accounting Standard 19 ("IAS 19"), Employee Benefits, retirement benefits are now accounted for as a legal obligation under the terms of the pension plan. The effect of the change is to decrease total equity by MUR 91,210,000 at 30 June 2005 (MUR 88,380,000 at 1 July 2004) and reported profit for the year ended 30 June 2005 by MUR 2,830,000 (MUR 88,380,000 for the year ended 30 June 2004).

(b) Staff Passage Benefit Fund

Staff Passage Benefit Fund is now accounted for as a liability. The effect of the change is to decrease total equity by MUR 8,355,239 at 30 June 2005 (MUR 8,444,746 at 1 July 2004).

(c) Investments in securities and deposits

Foreign deposits included under investments in securities and deposits have been reclassified separately as short term deposits on the balance sheet as they meet the definition of cash and cash equivalents. The effect is to decrease long term investments in securities and deposits and increase short term deposits by MUR 541,780,100 at 30 June 2005 (MUR 509,568,677 at 1 July 2004).

Moreover, under IAS 39, Financial Instruments: Recognition and Measurement, all investments classified as available-for-sale have been fair valued. The effect of the change is to increase total equity and investments in securities and deposits by MUR 264,302,791 at 30 June 2005 (MUR 223,053,758 at 1 July 2004).

(d) Surplus on revaluation of property, plant and equipment

As allowed under IAS 16, Property, Plant and Equipment, the Fund has elected to transfer some of the revaluation surplus to accumulated funds. The effect is to decrease property revaluation reserves by MUR 1,395,816 at 30 June 2005 (MUR 1,046,862 at 1 July 2004) and to increase accumulated funds by MUR 1,395,816 at 30 June 2005 (MUR 1,046,862 at 1 July 2004).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

2. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (CONT'D)

(e) *Investment revaluation reserves*

Unrealised gains and losses arising on fair valuation of Available-For-Sale investments at reporting dates subsequent to their initial recognition were previously recognised in the income statement. Under IAS 39, Financial Instruments: Recognition and Measurement, these are now directly recognised in equity. The effect is to increase investment revaluation reserve by MUR 112,734,425 at 30 June 2005 (MUR 88,435,695 at 1 July 2004) and decrease reported surplus by MUR 24,298,730 for the year ended 30 June 2005 (MUR 88,435,695 for the year ended 30 June 2004).

When Available-For-Sale ("AFS") investments are disposed of, the cumulative gains or losses previously recognised in equity in respect of those investments are included in the income statement. Since certain local quoted AFS investments were sold during the year ended 30 June 2005, their cumulative gain of MUR 1,292,850 was transferred from investment revaluation reserves to the income statement.

(f) *Insurance contracts*

Under previous GAAP, the fund was recording insurance premiums on a cash receipt basis and insurance compensation and reinsurance premiums on a cash payment basis. Under IFRS, the fund now recognises premiums proportionally over the period of coverage and accrues for its insurance compensation and reinsurance liabilities at the year end. The effect of the change is to increase total equity by MUR 229,167,492 at 30 June 2005 (MUR 382,887,148 at 1 July 2004), increase accounts receivable by MUR 860,064,659 at 30 June 2005 (MUR 807,917,734 at 1 July 2004), increase accounts payable by MUR 630,897,167 (MUR 425,030,586 at 1 July 2004) and decrease reported surplus by MUR 153,719,656 for the year ended 30 June 2005 (MUR 325,365,116 for the year ended 30 June 2004).

(g) *Investment - Staff Housing Fund*

The separate items that constitute the Staff Housing Fund have been accounted for within corresponding headings. The effects are to increase long term loans receivable by MUR 14,312,816 at 30 June 2005 (2004: MUR 17,219,089), decrease other creditors by MUR 2,900,000 at 30 June 2005 (2004: MUR 4,200,000), increase interest receivable by MUR Nil at 30 June 2005 (2004: MUR 982), increase bank balances by MUR 2,134,624 at 30 June 2005 (2004: MUR 752,251) and decrease Investment - Staff Housing Fund by MUR 19,347,440 at 30 June 2006 (2005: MUR 22,172,322).

(h) *Interest receivable*

Interest receivable at 30 June 2005 amounting to MUR 33,233,546 was not accrued for in the financial statements for the year ended 30 June 2005.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

3. ACCOUNTING POLICIES

The principal accounting policies of the SIFB are:

3.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain property, plant and equipment and investments and in accordance with International Financial Reporting Standards for the first time.

3.2 Revenue recognition

General Insurance Premium Income Account

Insurance premium income contributed to General Insurance Account is determined by reference to the total value of insurable sugar and premium percentage set out in the Second Schedule of the Sugar Insurance Fund Act No 4 of 1974 (as subsequently amended) in respect of the crop year for which the premium is payable.

Fire Insurance Premium Income Account

Insurance premium income contributed to Fire Insurance Account is determined on the basis of MUR 10 per ton of insurable sugar under the Fifth Schedule of the Sugar Insurance Fund Act No 4 of 1974 (as subsequently amended).

Other revenues

These are recognised on the following bases:

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on an accrual basis.

3.3 Insurance contracts

(a) Recognition and measurement

Insurance contracts provided by the Fund protect the customers from the consequences of events such as cyclones, droughts, excessive rainfall that would affect the sugar production. Compensation paid on occurrence of the specified insurance events are linked to the extent of economic loss suffered by the insured. Premiums are recognised as revenue earned proportionally over the period of coverage.

Claims are charged to income as incurred based on the estimated liability for compensation owed to the insured. They include direct claims and arrive from events that have occurred up to the balance sheet date even if they have not yet been reported to the Fund. Liabilities for unpaid claims are estimated using the input of assessment for individual claims reported to the Fund and statistical analysis for the claims incurred but not reported.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

3. ACCOUNTING POLICIES (CONT'D)

3.3 Insurance contracts (cont'd)

(b) *Liability adequacy test*

At each balance sheet date, liability adequacy tests are performed to ensure the adequacy of the insurance liabilities in performing these tests current best estimates of future contractual cash flows and claims are used. Any deficiency is immediately charged to income statement account.

(c) *Insurance contracts held*

Contracts entered into with reinsurers under which the Fund is compensated for losses on the insurance contracts issued by the Fund and that meet the classification requirement of insurance contracts are classified as reinsurance contracts held. The benefit to which the Fund is entitled under reinsurance contracts are recognised as reinsurance assets. These assets consist of amounts due from reinsurers (classified as receivables).

Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsurance contracts. Reinsurance liabilities are primarily payable for reinsurance contracts and are recognised as expense when due.

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost or valuation, net of accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis so as to write off the depreciable value of the assets over their estimated useful lives. The annual rates used for the purpose are as follows:

	%
Buildings	2.5
Improvement to land and buildings	10
Furniture & other equipment	10
Motor vehicles	20
Computer equipment and software	20

Profit or loss on disposal of property, plant and equipment is determined by the difference between the carrying values of the assets and their disposal proceeds and is accounted for in the income statement.

3.5 Foreign currencies

Transactions in foreign currencies are recorded in Mauritian Rupees using the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated in Mauritian Rupees using the rate of exchange ruling at the balance sheet date.

All exchange differences on translation are dealt with in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

3. ACCOUNTING POLICIES (CONT'D)

3.6 Insurance compensation

Insurance compensation is recorded as an expense when the claims are assessed following the end of the crop season.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits.

3.8 Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.9 Comparative figures

When an accounting policy is changed with retrospective effect, comparative figures are restated in accordance with the new policy.

3.10 Retirement benefit obligations

Defined Benefit Plan

Provisions for retirement benefits for the SIFB staff are made under the Statutory Bodies Pension Act 1978 as amended and in accordance with IAS 19 (Employee Benefits). The Fund provides retirement benefits for its employees through a defined benefit plan called "The Sugar Insurance Fund Board (SIFB) Staff Pension Fund".

The SIFB Staff Pension Fund is a defined benefit plan and its assets are managed by the State Insurance Company of Mauritius Ltd (SICOM). The cost of providing the benefit is determined in accordance with actuarial review undertaken every five years.

The net liability at balance sheet date is determined as the present value of funded obligations after adjusting for the fair value of plan assets, any unrecognised actuarial gains and losses and any unrecognised past service cost.

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

A portion of the actuarial gains and losses will be recognised as income or expense if the net cumulative unrecognised actuarial gains or losses at the end of the previous accounting period exceeded the greater of:

- 10 % of the present value of the defined benefit obligation at that date; and
- 10% of the fair value of plan assets at that date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

3. ACCOUNTING POLICIES (CONT'D)

3.10 Retirement benefit obligations (Cont'd)

State Plan

Contributions to the National Pension Scheme are expensed to the income statement in the period in which they fall due.

3.11 Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Fund has become party to the contractual provisions of the financial instruments.

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:-

(i) Investments

Investments are recognised on a trade-date basis and are initially measured at cost. At subsequent reporting dates, investments classified as loans-and-receivables ("L&R") or as held-to-maturity ("HTM") are measured at amortised cost, less any impairment loss. Investments other than L&R and HTM investments are classified as either held-for-trading ("HFT"), which is a subset of the fair-value-through-profit-or-loss ("FVTPL") category, or available-for-sale ("AFS") and are normally measured at subsequent reporting dates at fair value. However, AFS investments which do not have a quoted market price and whose fair value cannot be reliably measured are subsequently measured at amortised cost or cost, depending on whether they have a fixed maturity or not, less any impairment loss.

For FVTPL (including HFT) assets and liabilities, unrealised gains and losses are included in the Income Statement. For AFS investments, unrealised gains and losses are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity in respect of that investment is included in the income statement.

The Fund has the possibility to designate any financial asset or financial liability as at FVTPL i.e at fair value with changes in fair value recognised through profit or loss provided that the financial asset or financial liability satisfies certain conditions.

(i) Investments

The gains and losses on disposal of HFT and AFS investments are recognised in the income statement.

The Fund's management determines the appropriate classification of the Fund's financial assets and financial liabilities and re-evaluates such classification on a regular basis.

(ii) Accounts receivable

Accounts receivable originated by the Fund are stated at cost less provision for doubtful debts. An estimate of doubtful debts is made based on a review of all outstanding amounts at balance sheet date. Debts are written off during the period in which they are identified.

(iii) Accounts payable

Accounts payable are stated at their nominal amount.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

3. ACCOUNTING POLICIES (CONT'D)

3.11 Financial instruments (Cont'd)

(iv) Cash and cash equivalents

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date.

3.12 Impairment

At each balance sheet date, the Fund reviews the carrying amounts of its 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, and the carrying amount of the asset is reduced to its recoverable amount.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the Fund's management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the Fund's most critical accounting estimate. There are various sources of uncertainty that need to be considered in the estimate of the liability that the Fund will ultimately pay for such claims in particular, the claims are dependent upon assumptions in respect of:

- (i) Climatic conditions which prevailed as at date;
- (ii) Estimated islandwide tonnage of canes of 4.806 million tonnes;
- (iii) Estimated islandwide extraction rate of 10.54%;
- (iv) Estimated islandwide sugar production of 506,576 tonnes;
- (v) Projected Harvestable Extent of 65,298 hectares;
- (vi) Projected islandwide Total Insurable Sugar of 608,842 tonnes;
- (vii) Estimated islandwide average ranking of 8.1;
- (viii) Estimated sugar price for insurance purpose of MUR17,028 per tonne (taking into account the fall in sugar price by 5% this year).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

5.(i) EFFECTS OF ADOPTING IFRS ON BALANCE SHEETS AT 30 JUNE 2005 AND AT 1 JULY 2004 (DATE OF TRANSITION) RESPECTIVELY

		30 June 2005			30 June 2004		
Notes		Under previous GAAP MUR	Effect of transition MUR	Under IFRS MUR	Under previous GAAP MUR	Effect of transition MUR	Under IFRS MUR
NON-CURRENT ASSETS							
Property, plant and equipment		101,701,406	-	101,701,406	104,187,180	-	104,187,180
Investments in securities and deposits	2(c)	1,359,629,051	(277,477,309)	1,082,151,742	1,240,113,488	(286,514,919)	953,598,569
Investment - Staff Pension Fund	2(a)	213,874,181	(213,874,181)	-	193,995,613	(193,995,613)	-
Investment - Staff Housing Fund	2(g)	19,347,440	(19,347,440)	-	22,172,322	(22,172,322)	-
Loans	2(g)	70,232,224	14,312,816	84,545,040	77,505,606	17,219,089	94,724,695
		1,764,784,302	(496,386,114)	1,268,398,188	1,637,974,209	(485,463,765)	1,152,510,444
CURRENT ASSETS							
Accounts receivable	2(f), (h)	112,648,252	893,298,205	1,005,946,457	166,607,370	807,918,716	974,526,086
Short term investments		662,630,230	-	662,630,230	578,093,572	-	578,093,572
Short term loans		301,033,947	-	301,033,947	1,513,695	-	1,513,695
Cash and bank balances	2(g)	5,372,406	2,134,624	7,507,030	4,887,550	752,251	5,639,801
Short term deposits	2(c)	6,698,307	541,780,100	548,478,407	5,436,658	509,568,677	515,005,335
		1,088,383,142	1,437,212,929	2,525,596,071	756,538,845	1,318,239,644	2,074,778,489
NON-CURRENT LIABILITIES							
Staff passage benefits	2(b)	-	5,974,797	5,974,797	-	6,006,084	6,006,084
Retirement benefit obligations	2(a)	-	91,210,000	91,210,000	-	88,380,000	88,380,000
CURRENT LIABILITIES							
Accounts payable	2(b), (f), (g)	4,602,750	630,377,609	634,980,359	13,590,976	423,269,248	436,860,224
		4,602,750	727,562,406	732,165,156	13,590,976	517,655,332	531,246,30
		2,848,564,694	213,264,409	3,061,829,103	2,380,922,078	315,120,547	2,696,042,625
TOTAL ASSETS LESS TOTAL LIABILITIES							
Accumulated funds		2,539,127,136	61,145,279	2,600,272,415	2,088,068,715	207,118,315	2,295,187,030
Revaluation reserve		65,856,303	374,348,550	440,204,853	65,856,303	310,442,591	376,298,894
Staff Pension Fund		213,874,181	(213,874,181)	-	193,995,613	(193,995,613)	-
Staff Housing Fund		21,351,835	-	21,351,835	24,556,701	-	24,556,701
Staff Passage Benefit Fund		8,355,239	(8,355,239)	-	8,444,746	(8,444,746)	-
TOTAL EQUITY	5(ii)	2,848,564,694	213,264,409	3,061,829,103	2,380,922,078	315,120,547	2,696,042,625

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

FOR THE YEAR ENDED 30 JUNE 2006

5.(ii) RECONCILIATIONS OF EQUITY UNDER PREVIOUS GAAP TO IFRS

	Notes	As 30 June 2005 MUR	As 1 July 2005 MUR
Equity under previous GAAP		2,848,564,694	2,380,922,078
Staff Pension Fund accounted for under IAS 19	2(a)	(213,874,181)	(193,995,613)
Staff Passage Benefit Fund now reclassified as liability	2(b)	(8,355,239)	(8,444,746)
Increase in revaluation reserves arising from fair valuation of AFS investments	2(c)	264,302,791	223,053,758
Increase in fair value of AFS investments previously recognised in income statement transferred to revaluation reserves	2(e)	(112,734,425)	(88,435,695)
Fair value increase on AFS investments transferred from accumulated funds to revaluation reserves	2(e)	112,734,425	88,435,695
Provision for retirement benefits	2(a)	(91,210,000)	(88,380,000)
Property revaluation reserves transfer	2(d)	(1,395,816)	(1,046,862)
Transfer of property revaluation reserves to accumulated funds	2(d)	1,395,816	1,046,862
Transfer of investment revaluation reserves on disposal of AFS investment	2(e)	(1,292,850)	-
Realised investment revaluation reserves recognised in income statement	2(e)	1,292,850	-
Adjustments to accounts receivable:			
- Provision for insurance premiums		896,012,073	856,096,951
- Reversal of reinsurance liabilities prepaid		(35,947,414)	(48,179,217)
Adjustment to interest receivable	2(f) 2(h)	860,064,659 33,233,546	807,917,734 -
Adjustments to accounts payable:			
- Provision for insurance compensation		(575,718,022)	(352,121,689)
- Provision for reinsurance premium payable		(55,179,145)	(72,908,897)
	2(f)	(630,897,167)	(425,030,586)
IFRS equity		3,061,829,103	2,696,042,625

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

FOR THE YEAR ENDED 30 JUNE 2006

6. RECONCILIATION OF PROFIT FOR THE YEAR ENDED 30 JUNE 2005 UNDER PREVIOUS GAAP TO IFRS

	Notes	UNDER PREVIOUS GAAP MUR	EFFECT OF TRANSITION MUR	UNDER IFRS MUR
GENERAL INSURANCE ACCOUNT				
Insurance premium	2(f)	849,643,234	40,076,867	889,720,101
Co-reinsurance premium		23,844,169	-	23,844,169
Insurance premium ceded to reinsurers	2(f)	(144,932,277)	29,961,555	(114,970,722)
Net insurance premium		728,555,126	70,038,422	798,593,548
Insurance compensation		(348,112,304)	(216,117,706)	(564,230,010)
		380,442,822	(146,079,284)	234,363,538
Investment income:-				
- Interest income	2(h)	101,398,389	33,233,546	134,631,935
- Dividends		9,391,592	-	9,391,592
Fair value gains	2(e)	44,338,538	(24,298,730)	20,039,808
Creditors written back		4,808,629	-	4,808,629
Other income		1,038,156	1,292,850	2,331,006
Net income	2(e)	541,418,126	(135,851,618)	405,566,508
Operating expenses:				
- Administrative expenses		94,159,715	-	94,159,715
- Retirement benefits expense	2(a)	-	2,830,000	2,830,000
- Depreciation		3,167,073	-	3,167,073
- Actuarial fees		235,750	-	235,750
- Debtors written off		1,583,003	-	1,583,003
Total operating expenses		99,145,541	2,830,000	101,975,541
Surplus to General Fund for the year		442,272,585	(138,681,618)	303,590,967
FIRE INSURANCE ACCOUNT				
Insurance premium	2(f)	6,453,717	(161,745)	6,291,972
Insurance compensation		(4,009,385)	(7,478,627)	(11,488,012)
		2,444,332	(7,640,372)	(5,196,040)
Creditors written back		1,541,504	-	1,541,504
Surplus to Fire Fund for the year		3,985,836	(7,640,372)	(3,654,536)
Total surplus for the year		446,258,421	(146,321,990)	299,936,431

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

FOR THE YEAR ENDED 30 JUNE 2006

7. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Improvement to Land and Buildings	Furniture & Other Equipment	Motor Vehicles	Computer Equipment & Software	Total
	MUR	MUR	MUR	MUR	MUR	MUR	MUR
COST AND VALUATION							
At 1 July 2004	52,900,000	45,800,000	807,933	11,582,817	1,812,553	4,522,634	117,425,937
Additions	-	-	64,360	171,491	-	470,536	706,387
Disposals	-	-	-	(702,995)	-	(2,657,163)	(3,360,158)
At 30 June 2005	52,900,000	45,800,000	872,293	11,051,313	1,812,553	2,336,007	114,772,166
Additions	-	-	168,853	261,059	-	3,072,753	3,502,665
Disposals	-	-	-	(68,240)	-	-	(68,240)
Elimination of accumulated depreciation	-	-	-	-	(1,812,353)	-	(1,812,353)
Surplus on revaluation	-	-	-	-	499,800	-	499,800
At 30 June 2006	52,900,000	45,800,000	1,041,146	11,244,132	500,000	5,408,760	116,894,038
DEPRECIATION							
At 1 July 2004	-	3,435,000	129,393	5,138,649	1,087,533	3,448,182	13,238,757
Charge for the year	-	1,145,000	87,229	1,105,131	362,511	467,202	3,167,073
Disposals	-	-	-	(677,907)	-	(2,657,163)	(3,335,070)
At 30 June 2005	-	4,580,000	216,622	5,565,873	1,450,044	1,258,221	13,070,760
Charge for the year	-	1,145,000	104,114	1,111,954	362,309	977,153	3,700,530
Disposals	-	-	-	(30,567)	-	-	(30,567)
Elimination of accumulated depreciation	-	-	-	-	(1,812,353)	-	(1,812,353)
At 30 June 2006	-	5,725,000	320,736	6,647,260	-	2,235,374	14,928,370
NET BOOK VALUES							
At 30 June 2006	52,900,000	40,075,000	720,410	4,596,872	500,000	3,173,386	101,965,668
At 30 June 2005	52,900,000	41,220,000	655,671	5,485,440	362,509	1,077,786	101,701,406

Freehold land and buildings were revalued in June 2002 by Mr. Raj Ramlackhan MSc, FRICS, MCI Arb, Chartered Surveyor, at MUR 52.9 million and MUR 45.8 million respectively. The surplus on revaluation of MUR 65,856,303 has been credited to revaluation reserve. At 30 June 2006, motor vehicles were fair valued at MUR 500,000 by the directors. The surplus on revaluation of MUR 499,800 has been credited to revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2006

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Had freehold land and buildings and motor vehicles been valued at historic amount, the carrying value would have been as follows:

	Cost MUR	Accumulated depreciation MUR	Net book value MUR
At 30 June 2006			
Freehold land	3,004,495	-	3,004,495
Buildings	39,802,301	(13,943,329)	25,858,972
Motor vehicles	1,812,553	(1,812,353)	200
	44,619,349	(15,755,682)	28,863,667
At 30 June 2005			
Freehold land	3,004,495	-	3,004,495
Buildings	39,802,301	(13,147,283)	26,655,018
Motor vehicles	1,812,553	(1,450,044)	362,509
	44,619,349	(14,597,327)	30,022,022

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2006

8. INVESTMENTS IN SECURITIES AND DEPOSITS

AT FAIR VALUE	Available-For-Sale Securities					Foreign Currencies MUR	Held-to-Maturity Securities And Deposit MUR	Total MUR
	Local Quoted MUR	Local unquoted MUR	Foreign Equities MUR	Foreign Funds MUR				
At 1 July 2005:								
- As previously reported	121,728,723	15,227,643	1,361,311	91,058,135		541,780,100	1,251,103,369	2,022,259,281
- Effect of IFRS adoption	-	264,302,791	-	-		(541,780,100)	-	(277,477,309)
- As restated	121,728,723	279,530,434	1,361,311	91,058,135		-	1,251,103,369	1,744,781,972
Additions	-	-	-	-		-	1,047,744,204	1,047,744,204
Disposals/Matured/Redeemed	-	-	-	-		-	(777,672,504)	(777,672,504)
Interest receivable	-	-	-	-		-	71,983,066	71,983,066
Increase in fair value	38,955,434	36,512,401	70,586	11,475,179		-	-	87,013,600
At 30 June 2006	160,684,157	316,042,835	1,431,897	102,533,314		-	1,593,158,135	2,173,850,338
Classified as:								
- Short term	-	-	-	-		-	867,884,075	867,884,075
- Long term	160,684,157	316,042,835	1,431,897	102,533,314		-	725,274,060	1,305,966,263
AT COST	160,684,157	316,042,835	1,431,897	102,533,314		-	1,593,158,135	2,173,850,338
At 30 June 2006	61,631,721	14,990,501	849,515	40,466,000		-	1,593,158,135	1,711,095,872
At 30 June 2005 - as restated	61,631,721	15,157,582	849,515	40,466,000		-	1,251,103,369	1,369,208,187

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2006

8. INVESTMENTS IN SECURITIES AND DEPOSITS (CONT'D)

(a) Available-For-Sale Securities and Deposits

Local Quoted

Local quoted investments include investments in companies listed on the Official Market, the Development and Enterprise Market and the Over the Counter Market of the Stock Exchange of Mauritius (SEM). Such investments are stated at fair values based on SEM prices at close of business on the balance sheet date.

Local Unquoted

Local unquoted investments comprise shares held in SICOM, Sugar Investment Trust (SIT) and The MFL Fund. Investments in SICOM and SIT have been valued on a net asset value basis at MUR 315,385,791 at 30 June 2006. Investments in The MFL Fund, which is an open-ended Fund, are stated at market value at MUR 657,044 at 30 June 2006.

Foreign Equities

Investments in foreign equities, including shares held in African Reinsurance Corporation (Africa Re), are stated at market value based on exchange rate ruling at the Balance Sheet date.

Foreign Funds

Investments in foreign funds, including fixed income securities and mutual funds (SICAV), are stated at market value based on the exchange rate ruling at the Balance Sheet date.

(b) Held-To-Maturity Securities and Deposits

Held-To-Maturity Securities and Deposits which are stated at amortised cost comprise the following:

	2006 MUR	2005 MUR
Treasury Bills	1,056,003,303	961,903,369
Treasury Notes	481,915,781	239,200,000
Bank deposits	55,239,051	50,000,000
	1,593,158,135	1,251,103,369

They bear interests at rates ranging from 6.75% to 9.52% per annum and mature between August 2006 and June 2008.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2006

9 LONG TERM LOANS

	2006 MUR	2005 (Restated) MUR
Loan to Mauritius Housing Company (MHC) Ltd	56,000,000	64,000,000
Motor Vehicles Loans	5,628,489	6,107,055
Personal Loans	53,192	125,169
Other Loans	12,137,868	14,312,816
	73,819,549	84,545,040

(i) Loan to Mauritius Housing Company (MHC) Ltd

Amount due at 30 June	64,000,000	72,000,000
Deduct: Amount falling due within one year (Note 10)	(8,000,000)	(8,000,000)
Amount falling due after more than one year	56,000,000	64,000,000

The loan is guaranteed by the Government of Mauritius. The original capital is repayable in 15 yearly instalments, with effect from December 1997. Interest is payable quarterly, at the prevailing Lombard Rate (as at 30 June 2006: 11.50% per annum), but capped to a minimum of 8.50% per annum, since 19 August 2004. The rate was previously fixed at 12% per annum.

(ii) Motor Vehicles Loans

	2006 MUR	2005 (Restated) MUR
Amount due at 30 June	8,094,665	8,194,893
Deduct: Amount falling due within one year (Note 10)	(2,466,176)	(2,087,838)
Amount falling due after more than one year	5,628,489	6,107,055

Motor vehicle loans bear interest at the rate of 7.5% per annum.

(iii) Personal Loans

Amount due as at 30 June	284,239	383,397
Deduct: Amount falling due within one year (Note 10)	(231,047)	(258,228)
Amount falling due after more than one year	53,192	125,169

Personal loans bear interest at the SIFB's Prime Lending Rate plus 2.5% per annum.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2006

9. LONG TERM LOANS (CONT'D)

(iv) Other Loans

	2006 MUR	2005 (Restated) MUR
Amount due as at 30 June	13,798,652	16,317,211
Deduct: Amount falling due within one year (Note 10)	(1,660,784)	(2,004,395)
	12,137,868	14,312,816

Loans to staff bear interests at rates ranging from 9.00% to 13.00% per annum depending on the amount of loans granted.

10. ACCOUNTS RECEIVABLE

	2006 MUR	2005 (Restated) MUR
Insurance receivables	849,437,679	896,012,073
Loan - Mauritius Housing Company Ltd (Note 9(i))	8,000,000	8,000,000
Housing loans (Note 9(iv))	1,660,784	2,004,395
Motor vehicles loans (Note 9(ii))	2,466,176	2,087,838
Personal loans (Note 9(iii))	231,047	258,228
Interest receivable	4,538,681	94,380,571
Debtors for compensation and insurance premium receivable	1,769,527	2,895,986
Dividends receivable	-	139,366
Other receivables	-	168,000
	868,103,894	1,005,946,457

11. SHORT TERM LOANS

	2006 MUR	2005 (Restated) MUR
Loans to planters (Note (i))	904,637	1,096,443
Loans to Mauritius Sugar Syndicate (MSS) (Note (ii))	350,934,672	299,937,504
	351,839,309	301,033,947

(i) These represent loans granted to planters to purchase shares of the Sugar Investment Trust.

(ii) The loan to Mauritius Sugar Syndicate is at call and the interest rate is 7.85% per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2006

12. PROVISION FOR STAFF PASSAGE BENEFITS

	2006 MUR	2005 MUR
At 1 July	8,355,239	8,444,746
Payment during the year	(2,380,442)	(2,438,662)
Provision for the year	2,385,463	2,349,155
At 30 June	8,360,260	8,355,239
<u>Less:</u> Amount due within one year (Note 14)	(2,380,000)	(2,380,442)
	5,980,260	5,974,797

13. RETIREMENT BENEFIT OBLIGATIONS

The pension plan is a final salary defined benefit plan for staff and is wholly funded. The assets in the funded plan are held independently and are administered by the State Insurance Company of Mauritius Ltd (SICOM).

The following employee benefits information is based on the report submitted by the State Insurance Company of Mauritius Ltd (SICOM) dated 10 August 2006:

(i) Amounts recognised in balance sheet:

	2006 MUR	2005 (Restated) MUR
Present value of funded obligation	323,900,000	308,260,000
Fair value of plan assets	(238,870,000)	(213,780,000)
	85,030,000	94,480,000
Unrecognised actuarial loss	-	(3,270,000)
Net liability in balance sheet	85,030,000	91,210,000

(ii) Amounts recognised in income statement:

	2006 MUR	2005 (Restated) MUR
Current service cost	7,220,000	7,150,000
Interest on obligation	32,370,000	29,680,000
Expected return	(23,340,000)	(21,290,000)
Actuarial gain recognised	(9,790,000)	-
Total included in staff costs	6,460,000	15,540,000
Actual return on plan assets	28,220,000	20,890,000

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

FOR THE YEAR ENDED 30 JUNE 2006

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)*(iii) Movements in liability recognised in the balance sheet:*

	2006	2005
	MUR	(Restated) MUR
At 1 July:		
- As previously reported	-	-
- Effect of IFRS adoption	91,210,000	88,380,000
- As restated	91,210,000	88,380,000
Total included in staff costs above	6,460,000	15,540,000
Contributions paid	(12,640,000)	(12,710,000)
At 30 June	85,030,000	91,210,000

(iv) The figures have been arrived at by using actuarial assumptions as follows:

	2006	2005
	%	%
Discount Rate	10.50	10.50
Expected Return	11.00	11.00
Increase in Pension	5.50	5.50
Salary increases	7.50	7.50

(v) At balance sheet date, the assets of the plan were as follows:

	% of fair value of total plan assets	
	2006	2005
Government securities & cash	57.00	55.60
Overseas equities & bonds	17.00	16.50
Local equities	15.80	15.20
Loans	9.00	11.20
Property	1.10	1.40
Debentures stocks	0.10	0.10
	100.00	100.00

14. ACCOUNTS PAYABLE

	2006	2005
	MUR	(Restated) MUR
Provision for insurance compensation	583,572,641	575,718,022
Reinsurance premiums payable	49,785,975	55,179,145
Creditors for compensation and premium	145,541	233,226
Amounts owed to SIT planters	2,201	2,001
Other Creditors	366,308	91,310
Accruals	1,654,162	1,376,213
Provision for staff passage benefits (note 12)	2,380,000	2,380,442
	637,906,828	634,980,359

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2006

15. REINSURANCE PREMIUM

Reinsurance premium was paid under contracts signed for an aggregate cover of 150% of the general insurance premium in excess of 150% of the general premium income. The Fund is a co-reinsurer to an extent of 15% of the cover.

16. TAXATION

The Fund is exempt from income tax.

17. ADMINISTRATIVE EXPENSES

	2006 MUR	2005 (Restated) MUR
Included in administrative expenses are:		
Staff costs	86,984,227	87,306,577
Directors fees	714,227	713,899
Auditors' remuneration	150,000	125,000

18. RELATED PARTY TRANSACTIONS

The Fund is making the following related party transaction disclosures in accordance with IAS 24, Related Party Disclosures:

	2006 MUR	2005 MUR
(a) Outstanding balances		
<i>Loans receivable from:</i>		
- Key management personnel	876,002	563,114
- Entity under common control	64,000,000	72,000,000
	<u>64,876,002</u>	<u>72,563,114</u>

Loans receivable from entity under common control represent loans granted to Mauritius Housing Corporation Ltd.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2006

18. RELATED PARTY TRANSACTIONS (CONT'D)

	2006 MUR	2005 MUR
<i>(b) Transactions during the year</i>		
<i>(i) Loan and interest receivable transactions with key management personnel:</i>		
- Loans granted	517,950	-
- Loans refunded	205,062	184,749
- Interest receivable on loans	54,453	43,230
<i>ii) Compensation of key management personnel:</i>		
- Short term benefits	2,543,420	2,369,240
- Post-employment benefits contribution	328,020	316,980
- Other benefits	832,377	743,478
	3,703,817	3,429,698

These are loans granted under conditions of service.

As per provisions of the Act constituting the Fund, the directors represent the interest of stakeholders. However, the Board considers that such representation does not trigger any other related party transactions that would require any further disclosure.

19. FINANCIAL INSTRUMENTS

In its ordinary operations, the Fund is exposed to various financial risks such as foreign currency risks, interest rate risks and credit risks. It has devised a set of policies for managing these risks.

Fair values

Except where stated elsewhere, the carrying amounts of the Fund's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

FOR THE YEAR ENDED 30 JUNE 2006

19 FINANCIAL INSTRUMENTS (CONT'D)

Currency profile

The currency profile of the Fund's financial assets and financial liabilities is summarised as follows:-

	Financial assets 2006 MUR	Financial liabilities 2006 MUR	Financial assets 2005 MUR	Financial liabilities 2005 MUR
Currency				
Mauritian Rupees	3,370,716,319	728,917,088	3,058,093,310	732,165,156
United States Dollars	426,616,948	-	386,806,819	-
Euro	255,852,202	-	223,914,089	-
British Pounds	26,119,963	-	23,478,635	-
	4,079,305,432	728,917,088	3,692,292,853	732,165,156

Currency risk

The Fund is exposed to the risk that the exchange rate of the Mauritian rupee relative to the currencies listed above may change in a manner which has a material effect on the reported values of its financial assets and financial liabilities. The price paid to producers being influenced by the value of foreign currency exchange rates, reserves have been built in foreign currencies upon the advice of the consulting actuary.

Credit risk

The Fund's credit risk is primarily attributable to its insurance receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Board's management based on prior experience.

Liquidity risk

The Fund is exposed to calls on its available cash resources mainly from substantial claims arising from insurance contracts. The Fund manages this exposure through reinsurance.

Interest rate risk

The interest rate profile of the financial assets and financial liabilities of the Fund as at 30 June 2006 was:-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2006

19. FINANCIAL INSTRUMENTS (CONT'D)

Financial assets

	Currency	Fixed Interest rate		Floating Interest rate	
		2006	2005	2006	2005
		%	%	%	%
Bank deposits	MUR	8.25	8.25	-	-
Loan to MHC	MUR	-	-	10.00 - 11.50	9.50 - 12.00
Loan to MSS	MUR	7.85	5.65	-	-
Fixed deposits	GBP	-	-	4.35 - 4.57	4.30 - 4.51
Fixed deposits	USD	-	-	3.35 - 5.21	0.95 - 3.00
Fixed deposits	EUR	-	-	1.90 - 2.64	1.84 - 2.25

At 30 June 2006, none of the financial liabilities was interest bearing.

Market price risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices no matter whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The carrying amount of investments which are traded on the market may be subject to market price variations. The Fund manages this risk by holding a diversified portfolio of investments in Mauritius and overseas.

20. MANAGEMENT OF INSURANCE RISKS

Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Fund faces under its insurance contracts is the actual claims and benefit payments not covered by the reinsurance contracts.

Insurance contracts

(i) Frequency and severity of claims

If any, their severity is largely dependent upon climatic conditions prevailing such as the occurrence of cyclones, droughts and excessive rainfall.

Reinsurance/co-insurance arrangements are such that the Fund is adequately protected and would only suffer predetermined amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2006

20. MANAGEMENT OF INSURANCE RISKS (CONT'D)

Insurance risk (Cont'd)

(ii) *Concentration of insurance risks*

Because the Fund's main activities are restricted to providing insurance to the Sugar Industry against losses in sugar production, it faces similar risks in all of its insurance contracts such that the variability of the expected outcome cannot be reduced.

The Fund manages part of such risks through reinsurance arrangements mostly. The Fund's reinsurance strategy is set by its Board of Directors. It is itself responsible for monitoring and controlling reinsurance activity.

(iii) *Sources of uncertainty in the estimation of future claim payments*

Claims are payable on a claims-assessment basis. The Fund is liable for all insured risks that occurred during the crop year, even if the loss is discovered after the end of the crop year.

Although the Fund has in place estimation processes which consider all the factors that can influence the amount and timing of cash flows about the estimated costs of claims, such processes may prove to be very uncertain since the claims are mostly long tail. The Fund takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures.

21. SENSITIVITY ANALYSIS

The risk associated with the insurance contracts are complex and subject to a number of variables that complicate sensitivity analysis. The Fund uses assumptions based on internal and external data to measure its claims. Internal data is derived mostly from the Fund's records. The assumptions used are as follows:

(i) Climatic conditions

Climatic conditions include effects of cyclonic winds, below long term mean rainfall and above long term mean rainfall.

(ii) Estimated islandwide tonnage of canes

Islandwide tonnage of canes is the total tonnage of canes to be harvested and milled for sugar productions.

(iii) Estimated islandwide extraction rate

Islandwide extraction rate is the sugar to be extracted for canes milled for sugar production based on the average % polarisation of cane (richesse).

(iv) Estimated islandwide sugar production

Islandwide sugar production is the total sugar to be produced out of the total tonnage of canes to be milled at the projected islandwide extracted rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

FOR THE YEAR ENDED 30 JUNE 2006

21. SENSITIVITY ANALYSIS (CONT'D)

(v) Projected Harvestable Extent

Harvestable extent is the total land under cane cultivation meant for sugar production as declared by insureds.

(vi) Projected islandwide Total Insurable Sugar

Islandwide total insurable sugar is based on the individual sugar potential of each insured and the projected harvestable extent of cane growers.

(vii) Estimated islandwide average ranking

The islandwide average ranking is the average ranking of all insureds weighted by their total insurable sugar (potential).

(viii) Estimated sugar price for insurance purpose

Sugar price for insurance purposes is the best available estimated selling price of sugar produced to be marketed.

The main variable which has the most material effect on insurance liabilities is total sugar production. The Directors believe that the liability for the claims carried at the year end is adequate. However, an adverse variance of estimated islandwide sugar production to the extent of 1% would require the recognition of an additional loss of MUR50 million.

22. CLAIMS HISTORY AND DEVELOPMENT

The claims history and development is summarised below:

General and fire insurance

Crop Year	General and Fire Compensation	General and Fire Premium	Loss Ratio	Claims History	Reinsurance Proceeds	Net
2006	583,572,641	849,437,679	68.7%	583,572,641	-	583,572,641
2005	575,718,022	896,012,073	64.3%	575,718,022	-	575,718,022
2004	352,121,689	856,096,951	41.1%	352,121,689	-	352,121,689
2003	630,267,206	837,247,936	75.3%	630,267,206	-	630,267,206
2002	818,591,569	800,259,672	102.3%	818,591,569	-	818,591,569
2001	68,165,022	727,209,137	9.4%	68,165,022	-	68,165,022

23. CONTROLLING PARTY

The Government of Mauritius is regarded as the controlling party as it appoints the directors of the Fund.

CYCLONE AND DROUGHT INSURANCE BOARD
 Factory Area: Mon Desert - Almar
 (Ramsamy Seemadhee)

SP/1000
 A/o No 60757
 72

Registered 1960 Cops
 Seemadhee Ramsamy
 Valetta Verdim
 Estate

131 Broker

REMARKS
 Signed by his wife

Certified correct
 Signature or mark of planter
 Signature and name of witness
 Date 13/10/60

Total Area
 Area not under cane
 Area under cane
 Signature
 For harvest 1960

1650
 good
 planter
 2-108P
 0-62
 1-hb
 1-hb

2-108P
 0-62
 1-hb

Note deed not available



SUGAR INSURANCE FUND BOARD

APPENDIX B

FINANCIAL AND STATISTICAL TABLES

TABLES

CONTENTS

I	Statement of Funds
II	Reinsurance
III	Fire Statistics Crop 2005
IV	Fire Insurance
V	Sugar Price
VI	Analysis by Ranking, Crop 2005
VII	Events by Factory Area (1996 - 2005)
VIII	Events (1957 - 2005)
IX	Area Irrigated (Hectares), Crop 2005
X	Credit Co-operative Societies, Crop 2005
XI	Millers Crop 2005
XII	Area Harvested & Caneweight, Crop 2005
XIII	Number of Planters, Sugar Produced & Insurable Sugar, Crop 2005
XIV	Premium, Compensation & Shortfall, Crop 2005
XV	Past Years Data (1996 - 2005)

Table 1: Statements of Funds

Year	Income				Expenditure				Operating Surplus/ Deficit	Cumulative Fund Reserves
	Net Premium	Other Contributions	Other Income	Total Income	Net Compensation	Net Reinsurance Premium	Operating Expenses	Total Expenditure		
	Note 2	Note 3	Note 4		Note 5	Note 6	Note 7			Note 8
Up to 1995	6,043,000,604	807,619,582	1,288,214,256	8,138,834,442	5,709,802,105	1,076,243,726	562,160,686	7,348,206,517	790,627,925	790,627,925
1996/ 1997	702,196,263	-	83,186,938	785,383,201	454,935,372	94,430,000	70,057,272	619,422,644	165,960,557	956,588,482
1997/ 1998	660,772,131	-	100,988,851	761,760,982	312,306,442	88,187,836	66,791,365	466,285,643	295,475,339	1,252,063,821
1998/ 1999	734,199,840	-	111,271,305	845,471,145	388,348,502	98,333,374	73,589,754	560,271,630	285,199,515	1,537,263,336
1999/ 2000	675,519,379	1,301,784,325	142,517,307	2,119,821,011	2,282,548,059	194,151,127	77,667,622	2,554,366,808	(434,545,797)	1,102,717,539
2000/ 2001	637,516,175	204,239	121,474,106	759,194,520	359,467,735	75,133,343	78,558,068	513,159,146	246,035,374	1,348,752,913
2001/ 2002	727,453,281	-	188,511,709	915,964,990	69,844,329	171,179,007	90,085,102	331,108,438	584,856,552	1,933,609,465
2002/ 2003	800,228,759	-	255,044,145	1,055,272,904	814,135,579	185,291,404	95,418,324	1,094,845,307	(39,572,403)	1,894,037,062
2003/ 2004	837,256,065	-	432,189,979	1,269,446,044	629,033,959	145,377,305	93,884,812	868,296,076	401,149,968	2,295,187,030
2004/ 2005	896,012,073	-	177,893,428	1,073,905,501	575,718,022	91,126,553	101,975,541	768,820,116	305,085,385	2,600,272,415
2005/ 2006	849,437,679	-	217,432,134	1,066,869,813	583,572,641	83,143,754	94,309,588	761,025,983	305,843,830	2,906,116,245
Total	13,563,592,249	2,109,608,146	3,118,724,158	18,791,924,553	12,179,712,745	2,302,597,429	1,403,498,134	15,885,808,308	2,906,116,245	

Notes

- Figures for financial years 2003/2004 and 2004/2005 have been restated on application of IFRS in the financial year 2005/2006
- Net premium includes Total General and Fire Premium receivable from all insureds, net of adjustments.
- Other contributions include receipts from Price Stabilisation Fund, Cyclone and Drought Reserve Fund, Special levy, Recoveries from Reinsurers and other transfers from reserves.
- Other Income includes all other items not classified under Note 2 and 3 and also includes items posted directly to reserves.
- Net compensation includes amounts payable in respect of Fire and General compensation, net of adjustments.
- Reinsurance premium is based on amounts payable during the financial year, net of adjustments.
- Operating expenses include all other items not classified under Note 5 and 6.
- The cumulative reserves include amounts in Special Reserve Account but exclude amounts in the Housing Fund Account which stood at Rs 18,868,468 as at 30 June 2006

Table II: Reinsurance

Financial Year	Reinsurance Premium (Rs)	Reinsurance Compensation (Rs)	Remarks
Up to 1996/1997	1,170,673,726	469,103,749	
1997/1998	88,187,836	-	
1998/1999	98,067,048	-	
1999/2000	204,369,607	1,277,804,087	
2000/2001	78,804,510	-	
2001/2002	179,737,907	-	
2002/2003	194,555,974	-	
2003/2004	273,734,284	-	
2004/2005	114,970,722	-	
2005/2006	98,956,256	-	

Figures for the financial years 2003/2004 and 2004/2005 have been restated on the application of IFRS in the financial year 2005/2006

Table III: Fire Statistics, Crop 2005

Sector	Effective Area Burnt	Total Area Harvested	Area Burnt as % of Area Harvested
	(Hectares)		
North	103	15,419	0.7
East	58	18,033	0.3
South	70	21,737	0.3
West & Centre	15	12,215	0.1
Island	246	67,404	0.4

Table IV: Fire Insurance

	Fire Premium	Fire Compensation	Balance of Fund
	Rs M		
Up to 1995	33.9	25.3	15.6
1996/ 1997	4.1	5.8	13.9
1997/ 1998	7.1	3.6	17.4
1998/ 1999	7.2	7.3	17.3
1999/ 2000	7.1	11.5	12.9
2000/ 2001	6.9	2.3	17.5
2001/ 2002	6.8	4.2	20.1
2002/ 2003	6.8	3.9	23.0
2003/ 2004	6.6	1.8	27.8
2004/ 2005	6.3	11.5	22.6
2005/ 2006	6.1	9.9	18.8

Figures for the financial year 2004/2005 has been restated on the application of IFRS in the financial year 2005/2006

Table V: Sugar Price

	Planters	Millers	Weighted
	(Rupees)		
1996	12,903	12,690	12,852
1997	12,015	11,850	11,975
1998	13,087	13,050	13,078
1999	12,361	12,325	12,352
2000	11,066	10,950	11,040
2001	12,875	12,650	12,826
2002	14,252	14,100	14,219
2003	15,316	15,200	15,290
2004	16,094	15,900	16,051
2005	17,392	17,050	17,317

Table VI: Analysis by Ranking, Crop 2005

Ranking	Planters (Number)	Area Harvested (Hectares)	Canes Milled	Insurable Sugar (Tonnes)	Sugar Produced (Tonnes)	Shortfall	General Premium (Rupees Th)	General Compensation (Rupees Th)
Up to 5.4	10,931	13,054	802,772	84,613	66,538	8,502	129,581	80,154
5.5- 5.9	2,568	3,912	264,710	36,977	30,450	2,297	55,369	21,797
6.0- 6.4	2,511	3,760	267,065	47,345	38,886	3,020	69,990	29,244
6.5- 6.9	2,276	4,299	323,640	36,165	29,999	2,240	53,264	22,128
7.0- 7.4	1,937	4,948	360,302	34,162	29,127	2,129	49,810	21,387
7.5- 7.9	1,633	3,997	290,957	53,153	44,370	4,442	75,632	45,271
8.0- 8.4	1,312	3,328	243,726	24,675	20,228	2,410	34,970	25,291
8.5- 8.9	1,018	12,960	1,006,912	125,256	106,678	10,545	174,671	112,200
9.0- 9.4	756	2,358	189,150	47,681	38,950	5,226	65,114	56,072
9.5- 9.9	601	8,237	709,066	80,545	66,348	8,448	108,528	94,015
10.0-10.4	584	2,924	210,258	28,695	24,483	2,288	37,952	25,833
10.5-10.9	346	356	29,584	2,840	2,400	294	3,702	3,433
11.0-11.4	185	136	10,722	1,071	884	138	1,366	1,622
11.5-11.9	107	658	59,080	5,023	4,571	186	6,192	2,276
12.0-12.4	58	30	2,396	230	197	26	277	325
12.5-12.9	24	11	933	85	77	7	99	85
13.0-13.4	16	2,411	210,897	20,121	17,175	1,962	22,920	25,353
13.5-13.9	22	16	1,389	141	119	16	154	201
14.0-14.4	4	3	189	20	16	3	20	41
14.5-14.9	2	-	28	3	2	-	3	3
15.0 or more	7	6	539	53	43	9	51	126
Island	26,898	67,404	4,984,315	628,854	521,541	54,188	889,665	566,857

Table VII: Events by Factory Area, 1996 - 2005

Factory Area	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
North										
Beau Plan	D	D	D	Closed						
Belle Vue	D	D	D	D	D	D	C&D&E	C&D	---	D&E
Mon Loisir	D	D	D	D	D	D	C&D&E	C&D	---	D&E
East										
Beau Champ	C&D	D	D	C&D	D&E	D	C&D&E	C&E	E	E
Constance	D	D	Closed							
FUEL	C	D&E	D	C&D	D&E	---	C&D&E	C&E	E	E
South										
Bel Ombre	C	D	E	Closed						
Britannia	C	D&E	D&E	D	D	D	C&D&E	Closed		
Mon Tresor	C&D	D	D	C&D	D	---	C&D&E	C&E	E	E
Riche en Eau	C&D	D	D	C&D	D&E	---	C&D&E	C&E	E	E
Rose Belle	C	D&E	D	D	D	D	Closed			
Savannah	C&D	D	D	C&D	D&E	---	C&E	C&E	E	E
St Felix	C	D	D&E	C&D	D	---	C&D&E	C&E	E	E
Union	C	D&E	D&E	C&D	D	---	C&D&E	C&E	E	E
West & Centre										
Medine	D	D	D	C&D	D	D	C&E	D	---	D&E
Highlands	C	D&E	D	D	D	D	Closed			
Mon Desert Alma	C	D&E	D	D	D	D	C&D&E	C&E	E	E

Table VIII: Events (1957 - 2005)

Events	1957 - 1959	1960 - 1969	1970 - 1979	1980 - 1989	1990 - 1999	2000 - 2005	Total
C	1	4	2	1	1	--	9
C & D	--	2	2	--	2	--	6
C, D & E	--	--	1	--	--	2	3
C & E	--	--	--	2	--	--	2
D	2	4	2	4	5	1	18
D & E	--	--	2	2	2	2	8
E	--	--	1	1	--	1	3

Legend: C : Cyclone
D : Drought
E : Excessive

Table IX: Area Irrigated (Hectares), Crop 2005

Sector	Overhead Irrigation	Surface Irrigation	Drip Irrigation	Area Irrigated (a)	Area Harvested (b)	% (a)/ (b)
North	5,425	723	1,064	7,212	15,419	47
East	2,797	-	225	3,022	18,033	17
South	3,639	-	543	4,182	21,737	19
West	3,661	957	255	4,873	5,368	91
Centre	645	-	-	645	6,847	9
Island	16,167	1,680	2,087	19,934	67,404	30

Source: Irrigation Authority

Table X: Credit Co-operative Societies, Crop 2005

Sector	Planters (Number)	Area Harvested	Sugar Produced	Insurable Sugar	General Premium	General Compensation
		(Hectares)	(Tonnes)		(Rupees)	
North	3,541	2,289	11,573	15,037	22,761,161	17,941,643
East	4,307	2,626	13,609	17,838	25,927,610	27,363,729
South	3,715	2,181	11,476	14,366	21,014,451	17,145,800
West & Centre	1,438	784	3,452	5,116	7,610,624	10,603,505
Island	13,001	7,880	40,110	52,357	77,313,846	73,054,677

Table XI: Millers, Crop 2005

Sector	Millers	Sugar Produced	Insurable Sugar	General Premium	General Compensation
	(Number)	(Tonnes)		(Rupees)	
North	2	25,535	30,111	44,117,847	6,428,549
East	2	30,381	37,935	51,777,858	47,544,655
South	5	37,416	44,943	60,863,177	41,927,077
West & Centre	2	20,751	24,742	34,884,917	21,190,470
Island	11	114,083	137,731	191,643,799	117,090,751

Table XII: Area Harvested & Caneweight, Crop 2005

Sector		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Total
North	Area Harvested (Hectares)	1,050.0	1,104.0	1,263.0	1,288.0	532.0	723.0	9,459.0	15,419
	Cane Weight (Tonnes)	67,477.0	69,183.0	80,434.0	80,487.0	35,030.0	49,437.0	706,814.0	1,088,862
East	Area Harvested (Hectares)	1,099.0	1,404.0	1,516.0	1,808.0	575.0	720.0	10,911.0	18,033
	Cane Weight (Tonnes)	70,989.0	86,864.0	94,366.0	112,555.0	34,825.0	46,601.0	841,274.0	1,287,474
South	Area Harvested (Hectares)	1,095.0	1,271.0	1,252.0	1,579.0	712.0	1,135.0	14,693.0	21,737
	Cane Weight (Tonnes)	71,058.0	77,863.0	78,897.0	100,287.0	43,661.0	80,582.0	1,259,459.0	1,711,807
West & Centre	Area Harvested (Hectares)	461.0	900.0	765.0	831.0	508.0	893.0	7,857.0	12,215
	Cane Weight (Tonnes)	24,711.0	47,758.0	43,446.0	49,032.0	35,779.0	65,097.0	630,349.0	896,172
Island	Area Harvested (Hectares)	3,705	4,679	4,796	5,506	2,327	3,471	42,920	67,404
	Cane Weight (Tonnes)	234,235	281,668	297,143	342,361	149,295	241,717	3,437,896	4,984,315

Table XIII: Number of Planters, Sugar Produced & Insurable Sugar, Crop 2005

Sector		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Millers	Total
North	Number of Planters	4,153	1,549	915	444	79	24	17	2	7,183
	Sugar Produced (Tonnes)	5,431	5,576	6,496	6,518	2,865	4,189	58,962	25,535	115,572
	Insurable Sugar (Tonnes)	7,146	7,366	8,381	8,409	3,572	5,054	66,813	30,111	136,852
East	Number of Planters	4,384	1,964	1,090	630	84	39	4	2	8,197
	Sugar Produced (Tonnes)	5,903	7,205	7,821	9,325	2,901	3,872	69,764	30,381	137,172
	Insurable Sugar (Tonnes)	7,763	9,701	10,414	12,274	3,697	4,894	85,761	37,935	172,439
South	Number of Planters	4,217	1,751	896	543	106	35	20	5	7,573
	Sugar Produced (Tonnes)	5,765	6,231	6,323	8,053	3,506	6,290	99,354	37,416	172,938
	Insurable Sugar (Tonnes)	7,675	8,686	8,283	10,038	4,329	7,745	114,328	44,943	206,027
West & Centre	Number of Planters	1,818	1,183	557	276	71	29	9	2	3,945
	Sugar Produced (Tonnes)	1,989	3,810	3,506	4,028	3,064	5,583	53,128	20,751	95,859
	Insurable Sugar (Tonnes)	2,984	6,195	5,267	5,627	3,712	6,702	58,307	24,742	113,536
Island	Number of Planters	14,572	6,447	3,458	1,893	340	127	50	11	26,898
	Sugar Produced (Tonnes)	19,088	22,822	24,146	27,924	12,336	19,934	281,208	114,083	521,541
	Insurable Sugar (Tonnes)	25,568	31,948	32,345	36,348	15,310	24,395	325,209	137,731	628,854

Table XIV: Premium, Compensation & Shortfall, Crop 2005

Sector		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Millers	Total
North	Premium (Rs)	10,816,414	11,146,216	12,688,552	12,749,507	5,357,668	7,659,775	99,251,509	44,117,847	203,787,488
	Compensation (Rs)	9,824,232	9,888,310	9,684,868	9,180,325	3,373,585	2,266,961	5,731,880	6,428,549	56,378,710
	Shortfall (Tonnes)	1,011	1,026	1,012	956	333	269	565	671	5,843
East	Premium (Rs)	11,386,608	14,130,493	15,140,097	17,851,809	5,377,928	6,975,143	118,856,715	51,777,858	241,496,651
	Compensation (Rs)	12,327,568	16,185,308	16,823,924	18,898,260	4,742,861	6,619,180	99,254,484	47,544,655	222,396,240
	Shortfall (Tonnes)	1,225	1,612	1,668	1,860	477	632	9,132	4,500	21,106
South	Premium (Rs)	11,220,177	12,683,825	12,078,080	14,716,703	6,368,255	11,091,804	153,194,084	60,863,177	282,216,105
	Compensation (Rs)	12,919,616	16,395,216	11,897,645	10,982,139	4,047,857	7,793,277	78,144,971	41,927,077	184,107,798
	Shortfall (Tonnes)	1,269	1,637	1,209	1,116	409	769	6,695	3,902	17,006
West & Centre	Premium (Rs)	4,538,189	9,177,880	7,830,173	8,349,482	5,533,391	10,025,289	81,825,672	34,884,917	162,164,993
	Compensation (Rs)	6,456,548	16,433,119	11,475,462	9,583,852	3,477,951	6,567,213	28,789,939	21,190,470	103,974,554
	Shortfall (Tonnes)	663	1,659	1,164	972	353	655	2,675	2,092	10,233
Island	Premium (Rs)	37,961,388	47,138,414	47,736,902	53,667,501	22,637,242	35,752,011	453,127,980	191,643,799	889,665,237
	Compensation (Rs)	41,527,964	58,901,953	49,881,899	48,644,576	15,642,254	23,246,631	211,921,274	117,090,751	566,857,302
	Shortfall (Tonnes)	4,168	5,934	5,053	4,904	1,572	2,325	19,067	11,165	54,188

Table XV Past Years Data (1996 - 2005)

Crop Year	Planters (Number)	Area Harvested (Hectares)	Canes Milled	Sugar		Insurable Sugar	Shortfall	General Premium	General Compensation	% Loss	Events
				Produced							
				(Tonnes)				(Rupees Th)			
1996	29,106	70,952	5,260,129	590,212	696,878		56,889	700,341	455,073	15	D ; C; Daniella
1997	29,524	71,661	5,787,082	622,573	704,276		37,240	653,749	308,179	12	D & E
1998	31,090	73,269	5,780,216	629,980	751,585		47,153	726,199	382,226	16	D & E
1999	31,185	73,096	3,894,992	374,544	708,151		279,317	665,473	2,231,620	47	D ; C : Davina
2000	28,461	71,912	5,109,402	571,266	690,891		54,548	630,436	356,116	17	D & E
2001	28,659	72,087	5,792,327	648,090	682,455		8,497	720,384	63,938	5	D
2002	28,165	71,482	4,874,043	523,167	684,373		94,189	793,416	814,662	24	D; E; C: Dina
2003	28,046	69,995	5,200,045	538,904	662,649		66,943	830,615	628,513	19	D; E; C: Gerry, Manou
2004	27,617	68,745	5,281,455	574,140	644,356		36,120	849,606	349,302	11	E
2005	26,898	67,404	4,984,315	521,541	628,854		54,188	889,665	566,857	17	D & E

GLOSSARY

C. C. S.	Co-operative Credit Society
Crop Year	Period beginning on the 1st of June in any year and ending on the 31st of May in the following year
Event Year	In respect of any factory area, a crop year is declared an event year on account of the occurrence of all or any of the following causes: cyclones, drought or excessive rainfall
Factory Area (F. A.)	Area assigned by the Cane Planters and Millers Arbitration and Control Board to a factory
I. S. H.	Insurable Sugar per Hectare
Insured	Planter (small & large), Metayer or Miller
Metayer	A person who, by agreement with a planter, cultivates cane on land which belongs to the planter and in consideration for the use of land, gives the planter a portion of the annual sugar yield of such land, with or without any additional payment
Middleman	Any person who supplies canes to a miller on behalf of a planter
Miller	Any person, or group of persons, operating a factory and includes any person, acting as Manager for that person or group of persons
Planter	Any person, or group of persons, growing canes in a factory area and includes any person acting as Manager for that person or group of persons
S. A. H.	Sugar Accruing per Hectare
T. C. H.	Tonnage of Canes per Hectare
T. I. S.	Total Insurable Sugar



SUGAR INSURANCE FUND BOARD

18, Sir S. Ramgoolam Street

Port-Louis

Tel : +230 208 3236

Fax : +230 208 2634

Email : s.i.f.b@intnet.mu



SUGAR INSURANCE FUND BOARD

APPENDIX B

FINANCIAL AND STATISTICAL TABLES

TABLES

CONTENTS

I	Statement of Funds
II	Reinsurance
III	Fire Statistics Crop 2005
IV	Fire Insurance
V	Sugar Price
VI	Analysis by Ranking, Crop 2005
VII	Events by Factory Area (1996 - 2005)
VIII	Events (1957 - 2005)
IX	Area Irrigated (Hectares), Crop 2005
X	Credit Co-operative Societies, Crop 2005
XI	Millers Crop 2005
XII	Area Harvested & Caneweight, Crop 2005
XIII	Number of Planters, Sugar Produced & Insurable Sugar, Crop 2005
XIV	Premium, Compensation & Shortfall, Crop 2005
XV	Past Years Data (1996 - 2005)



SUGAR INSURANCE FUND BOARD

Annual Report 2005 – 2006