



SUGAR INSURANCE FUND BOARD

Annual Report

2013

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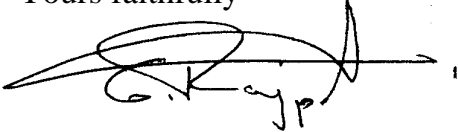
Chairperson's Letter

The Honorable Dr Navinchandra RAMGOOLAM, GCSK, FRCP,
Prime Minister,
Minister of Defence, Home Affairs and External Communications,
Minister of Finance and Economic Development
Minister for Rodrigues

Sir

The Board of the Sugar Insurance Fund is pleased to present the Annual Report and the Audited Financial Statements for the year 2013.

Yours faithfully



Dr Gowreeshankursing Rajpati

Chairperson

Sugar Insurance Fund Board

5th September 2014

Letter to Insureds

Dear Insureds,

We are pleased to present the Annual Report of the Sugar Insurance Fund Board for the year 2013. The financial statements have been prepared within the best practices applicable to insurance entities and in line with International Public Sector Accounting Standards. The equity value of the Fund increased to MUR 6.23 billion against MUR 5.82 billion of the preceding financial year, marked by substantial fair value gains on investments.

With Compliments from,

Board of Directors

Corporate Information

Directors of the Board:

Professor J. Manrakhan, G.O.S.K.....	Chairman (<i>up to 01.03.2013</i>)
Mr. G. Leung Shing.....	Representative of Mauritius Chamber of Agriculture (<i>Acting Chairman as from 02.03.2013</i>)
Mr. D. Bundhoo	Representative of Ministry of Finance and Economic Development (Economic Unit)
Mr. J. Bundhoo.....	Representative of Mauritius Cane Industry Authority
Mr. J. Li Yuen Fong	Representative of Millers
Mr. R.P. Nowbuth	Representative of Ministry of Agro-Industry and Food Security
Mr. S. Purmanund	Representative of Planters
Mr. V. Ramharai	Director, Control and Arbitration Department of the Mauritius Cane Industry Authority
Mr. J. Seegobin.....	Representative of Planters
Mr. J. Seeruttun	Representative of Ministry of Finance and Economic Development

Committees of the Board

Besides the statutory provisions regarding the Investment Committee, the Board has in line with best practices established the following committees namely -

Corporate Governance Committee, Assessment Committee, Audit and Risk Management Committee, Budget and Procurement Committee and Staff Committee.

Corporate Governance Committee

The Corporate Governance Committee is chaired by the Chairman of the Board and has as members Chairmen of all Committees. Its main function is to ensure compliance with good corporate governance practice.

Investment Committee

The Committee established by legislation is presided by the Chairman of the Board and comprises (i) Mr. J. Seeruttun, (ii) Mr. G. Leung Shing, and (iii) Mr. J. Li Yuen Fong as members, and has as attributes the investment strategies of the Fund.

Assessment Committee

The Assessment Committee is chaired by Mr. V. Ramharai with Messrs S. Purmanund and J. Bundhoo as members.

The Committee reviews and formulates policies regarding the General and Fire insurances. The Committee further makes recommendations to the Board for declaration of “event years” and oversees the general assessment process.

Audit and Risk Management Committee

The Audit and Risk Management Committee is under the chairmanship of Mr. J. Li Yuen Fong with Mr. D. Bundhoo and Mr. J. Seegobin as members.

The Committee oversees the Internal Audit and Internal Control functions and reviews the effectiveness of the internal and external audit process. The Committee assesses and addresses risks inherent to the business.

Budget and Procurement Committee

The Budget and Procurement Committee is constituted as follows - Mr. G. Leung Shing as Chairman, Mr. D. Bundhoo, Mr. J. Seegobin and Mr. S. Purmanund as members.

The Budget and Procurement Committee through budgetary control monitors the annual expenditure and ensures procurement of goods and services through established procedures.

Staff Committee

The Staff Committee consists of Mr. J. Seeruttun (Chairman), Mr. R. P. Nowbuth, Mr. J. Seegobin and Mr. S. Purmanund (members).

The Staff Committee deals with all staff matters taking into account the dynamics of socio-economic and technological developments facing the sugar cane and insurance and related industries, in Mauritius and world-wide.

Note: Following the demise of Prof. J. Manrakhan, GOSK, there are three vacant positions as Directors of the Board.

Senior Management

Mr. Diness PURRYAG	Chief Executive Officer
<i>In Alphabetical order</i>	
Mrs. Deeptee BOODHOO	Manager (Finance)
Mr. Sasan BUTON	Land Surveyor/ Senior Land Surveyor
Mr. Johnny S.S. CHONG CHAP SIN	Senior Network & Systems Administrator
Mr. Deorajnuth GANSAM	Manager (Survey) - up to 1 st August 2013
Mr. Gaoutam GOOROOCHURN	Chief Finance Officer
Mr. Yung Kiong J. NEWK FON HEY TOW	Chief Operations Officer
Mr. M. Ameen I. NOORMAHOMED	Internal Auditor
Mr. Mohamed Y.M.A.F.E. PEERMAMODE	Senior Software Engineer
Ms. Lakshika D. RAMKISSOON	Administrative Secretary
Mr. Jayendra SOOKDEB	Claims Manager

Legal Advisers

Andre Robert, Jr., Attorney-at-Law
State Law Office

Auditors

Director of Audit, National Audit Office

Acknowledgement and Thanks

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

Corporate Governance Report

The Sugar Insurance Fund Board is a statutory body set up under the Sugar Insurance Fund Act 1974.

Vision

To always have a community of planters happily engaged in a flourishing cane producing business.

Mission

The mission of the Sugar Insurance Fund Board is to be a premier provider of sugar insurance service in the Republic of Mauritius guided by discipline in underwriting and claims, maintaining strict financial standards, excellent customer service and prudent expense management.

Objectives

To insure the sugar production of planters, métayers, millers and refiners against losses occurring out of inclement weather namely cyclones, drought and excessive rainfall. Fire occurrence in sugar cane field is another risk covered by the Fund.

Directors' Responsibility for the Financial Statements

The Fund's Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards and in compliance with the requirements of prevailing statutes.

Integrated Sustainability Reporting

The Board has on its establishment, a Health and Safety Officer to ensure compliance to health and safety policies / regulations. A Health and Safety Committee meets regularly. On and above the Board has on 30 October 2007 adopted a code of ethics for all its employees.

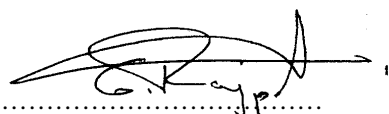
Responsibilities of the Board of Directors

The fundamental statutory responsibilities of the Board of Directors are to lay down the overall policies regulating the various business/activities of the Fund; it oversees the Fund's strategic direction and its organisational structure. The Board discharges the above responsibilities either directly or through Board Committees for more in-depth analysis and review of various issues while retaining its responsibility for all policy matters. The Chairman of each Committee periodically places reports of its proceedings before the Board for approval/information, as may be relevant. The Board promotes openness, integrity and accountability to improve corporate behaviour, strengthens control systems over business and reviews management performance on a regular basis. To fulfill their responsibilities, Board members have unhindered access to accurate, relevant and timely information.

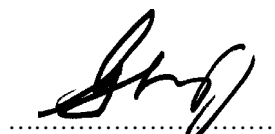
Internal Control

Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Such systems should ensure that all transactions are authorised and recorded and that any material irregularities are detected and rectified within a reasonable time-frame. The Fund has an established Internal Audit function which assists the Board and Management in effectively discharging its responsibilities. Internal Audit is an independent function that reports directly to the Audit and Risk Management Committee. Business controls are reviewed on an on-going basis by Internal Audit using a cycle-based risk approach.



Chairperson



Director

This 21st August 2014

Three Year Strategic Plan

The three-year strategic plan enunciated in the Annual Report 2011 has to a large extent been achieved. Whilst the process of the setting-up of an Electronic Document Records Management System is underway, the Board has successfully implemented the recommendations of Actuarial Review 2011. This review entailed a radical change in insurance policies including a reduction in cost of insurance policies across the sugar industry amongst others. In parallel, the use of modern technologies for electronic field data capture using Tablet PCs paved the way for a substantial reduction of the Board's administrative expenditure enabling a review of its organizational structure and rightsizing its manpower resources.

However, challenges facing the Cane Industry are continuously unfolding requiring the Board to be pro-active. Within this rapidly changing environment, the Board has commissioned a fresh Actuarial Review to assist the sugar producers in a more efficient manner within possible means. This new study is expected by end of year 2014 and its recommendations shall be a major determinant of the future strategies to be pursued by the Board.

Directorate and Management

Board of Directors - Directors' Profile



Prof. JAGADISH MANRAKHAN, GOSK (appointed as Chairman in November 2000)

CHAIRMAN (passed away on 01.03.2013)

Born in 1937, Late Prof. J. Manrakhan held an MSc in Agricultural Economics from the University of Reading. He was the former Vice-Chancellor of the University of Mauritius from 1979 to 1995, and the former Executive Director of the Mauritius Research Council from 1995 to 1998. He was also a former Director of the Standard Bank (Mauritius) Ltd.

MR. GEORGES LEUNG SHING (appointed in September 1992)

Representative of the Mauritius Chamber of Agriculture (ACTING CHAIRMAN as from 02.03.2013)

Born in 1945, Mr. G. Leung Shing holds a Bachelor's Degree in Economics and is a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate of the Chartered Institute of Taxation. He is the Chairperson of the Mauritius Development Investment Trust Co Ltd and the Audit Committee Forum of the Mauritius Institute of Directors, and a member of the Advisory Council of the Chartered Institute of Financial Analysts Society Mauritius. He is also a Director of the Mauritius Molasses Company Ltd, Omnicane Ltd (formerly Mon Trésor and Mon Désert Ltd) and Standard Bank Mauritius Ltd.



MR. DEOBRUT BUNDHOO (appointed in July 2001)

DIRECTOR – Representative of Ministry of Finance and Economic Development

Born in 1953, Mr. D. Bundhoo holds an MSc in Agricultural Economics from the University of Reading, UK.



MR. JUGDIS BUNDHOO (appointed in July 2009)

DIRECTOR – Representative of Mauritius Cane Industry Authority

Born in 1954, Mr. J. Bundhoo holds a BSC Joint Honours degree in Chemistry and Physiology from the University of Salford, an MSC in Soil Chemistry from the University of Reading and an MSC in Information Science from City University. He is the Manager Policy & Planning of the Mauritius Cane Industry Authority.

MR. JEAN LI YUEN FONG (appointed in June 2012)

DIRECTOR – Representative of Millers

Born in 1955, Mr. Jean Li Yuen Fong holds a Diploma in Agriculture and Sugar Technology (1976) from the University of Mauritius. He is currently the Director of Mauritius Sugar Producers' Association. He is a Board Member of the Mauritius Cane Industry Authority, the Mauritius Employers' Federation, the Mauritius Sugar Syndicate, the Joint Economic Council and the Sugar Industry Pension Fund. He is also a Director of the Sugar Association Building Ltd.



MR. R. NOWBUTH (appointed in December 2011)

DIRECTOR – Representative of Ministry of Agro-Industry and Food Security

Born in 1954, Mr. Ram Prakash Nowbuth holds a Bachelor's Degree in Commerce and a Master's Degree in Public Sector Management. He was Permanent Secretary of the Ministry of Agro-Industry and Food Security and Chairperson of the Mauritius Cane Industry Authority.

MR. SRINIVASS PURMANUND (appointed in December 2006)

DIRECTOR – Representative of Planters

Born in 1933, Mr. S. Purmanund has a wide experience in the sugar industry and the co-operative movement.





MR. VINOD RAMHARAI (appointed in May 2008)

DIRECTOR – Director of the Control and Arbitration Department of the Mauritius Cane Industry Authority

Born in 1951, Mr V. Ramharai holds a BSc (Hons) Sugar Technology (University of Mauritius) and an MSc (Hons) Public Sector Management (University of Technology - Mauritius).

MR. JUGDUTH SEGOBIN (appointed in April 2002)

DIRECTOR – Representative of Planters

Born in 1929, Mr. J. Seegobin has a wide experience in the agricultural, industrial and commercial sector. He was previously Chairman of the Sugar Industry Labour Welfare Fund and a director of the Central Electricity Board and Mon Tresor Milling Co Ltd. He also owned and managed a stone crushing and block-making plant, La Concasseuse de Plaine Magnien.



MR. JEEWONLALL SEERUTTUN (appointed in April 2012)

DIRECTOR – Representative of Ministry of Finance and Economic Development

Born in 1952, Mr. J. Seeruttun holds an MSc in Development Finance from the University of Birmingham, UK.



Board and Committee Meetings

The Board and its various committees met on 29 occasions.

Board Directors	Board meeting	CCC Committee	Corporate Governance Committee	Investment Committee	Assessment Committee	Audit & Risk Management Committee	Budget & Procurement Committee	Staff Committee	Total
Prof. J. Manrakhan (passed away on 01.03. 2013)	2/12	1/2	1/2	n/a	n/a	n/a	n/a	n/a	4
Mr. G. Leung Shing (Ag Chairman as from 02.03. 2013)	12/12	2/2	2/2	2/2	n/a	1 /2	1 /2	n/a	20
Mr. D. Bundhoo	12/12	n/a	n/a	n/a	*3/4	2/2	2/2	n/a	19
Mr. J. Bundhoo	7/12	n/a	n/a	n/a	4/4	n/a	n/a	n/a	11
Mr. Jean Li Yuen Fong	12/12	2/2	2/2	2/2	*4/4	1 /2	1 /2	n/a	24
Mr. R.P. Nowbuth	6/12			n/a	n/a	n/a	n/a	1/3	7
Mr. S. Purmanund	12/12	n/a	n/a	n/a	4/4	n/a	2/2	3/3	21
Mr. V. Ramharai	9/12	2/2	2/2	n/a	4/4	n/a	n/a	n/a	17
Mr. J. Seegobin	11/12			n/a	n/a	2/2	2/2	3/3	18
Mr. J.Seeruttun	10/12	1/2	1/2	2/2	n/a	n/a	n/a	3/3	17

Key: n/a – not applicable

*- co-opted

Remuneration of Directors

Directors' fees are fixed in accordance with section (5) (3) of the SIF Act No 4 of 1974. Details for 2013 are given below:

Board Directors	Total fees (in MUR)
Prof. J. Manrakhan	32,500
Mr. G. Leung Shing	211,800
Mr. D. Bundhoo	45,000
Mr. J. Bundhoo	45,000
Mr. J. Li Yuen Fong	45,600
Mr. R. P. Nowbuth	45,000
Mr. S. Purmanund	45,000
Mr. V. Ramharai	47,400
Mr. J. Seegobin	45,000
Mr. J. Seeruttun	60,000

Code of Conduct

The Fund 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.

Anti-Corruption Committee

In a spirit of cooperation with ICAC in the development of an Anti-Corruption Framework to combat fraud and corruption in the Public Sector, the Board has set up an Anti-Corruption Committee comprised of senior management personnel as members. This Committee is mandated to ensure the highest level of integrity in the conduct of the affairs of the Sugar Insurance Fund. The Board encourages its employees, more particularly at Management level for a declaration of assets.

Equal opportunity Policy

In line with the requirements of the Equal Opportunity Act 2008 and good governance practices, the Board has established an Equal Opportunity Policy to safeguard employees and prospective recruits against the risks of discrimination and to promote recruitment, selection, training and employment based on merit.

Complaints Policy

In line with good corporate governance, the SIFB has formulated a Complaints Policy and designated a Complaints Coordinator to ensure that complaints and representations from our insureds/stakeholders are dealt with promptly and systematically.

Related Party Transactions & Key Risks

Related party transactions and key risks areas have been fully disclosed in the financial statements at notes 24 and 25 respectively.

Senior Management Profile

DINESS PURRYAG, *Chief Executive Officer*

Mr. D Purryag, Land Surveyor joined the SIFB as Chief Manager Operations in 1997, was Officer-in-Charge from May 1999 to May 2000 and was appointed General Manager (*now restyled Chief Executive Officer*) of the Fund in June 2000. He is also a Director of SICOM Ltd since 2000 and was a member of the Value Assessment Tribunal from 1987 to 1993.

DEEPTEE RAJSHREE BOODHOO, *Manager (Finance)*

Ms. D. R. Boodhoo holds a BSc (Hons) in Banking and International Finance from the University of Technology of Mauritius and an MSC in Finance and Investments from Nottingham University (Malaysia). She joined the SIFB on 26 October 2009.

SASAN BUTON, *Land Surveyor/ Senior Land Surveyor*

Mr. S. Buton joined the SIFB in May 1976 and is presently the Land Surveyor/ Senior Land Surveyor. He is the Board's current representative of the Land Conversion Committee of the Ministry of Agro-Industry and Food Security since August 2013.

SIN SOO SHUING CHONG CHAP SIN, *Senior Network & Systems Administrator*

Mr. S.S.S. Chong Chap Sin holder of an MBA and BSc in Electronic Engineer joined the SIFB as Senior Network Engineer (*now restyled Senior Network & Systems Administrator*) in November 1997.

DEORAJNUTH GANSAM, *Manager (Survey) – retired on 1st August 2013*

Mr. D. Gansam, Land Surveyor joined the SIFB in March 1974 and retired as Manager (Survey).

GAOUTAM GOOROOCHURN, *Chief Finance Officer*

Mr. G. Gooroochurn, FCCA, holder of an MBA, joined the SIFB as Manager Finance in September 2006. He was assigned responsibilities of Chief Manager Finance on 10 September 2007 and appointed substantively as Chief Manager Finance (*now re-styled Chief Finance Officer*) as from 5 June 2008.

YUNGKIONG JIMMY NEWKFONHEYTOW, *Chief Operations Officer*

Mr. J Newkfonheyto holds a BSc in Computer Science and is an Associate Member of the Society of Actuaries, North America. He joined the SIFB in May 1998 as Claims Manager and is presently the Chief Manager (Operations), now restyled Chief Operations Officer.

MOHAMED AMEEN ISHACK NOORMAHOMED, *Internal Auditor*

Mr. M. A. I. Noormahomed, ACCA, holds a BSc (Hons) in Economics & Accountancy from City University (UK) and is registered as a professional Accountant with the Mauritius Institute of Professional Accountants. He joined the SIFB on 22 October 2009 as Manager (Finance). He was appointed as Internal Auditor on 19 November 2012.

MOHAMED YASHIN MOHAMED AREFF FAREED ESMAEL PEERMAMODE, *Senior Software Engineer*

Mr M Y Peermamode holder of a Diploma in Information Technology joined the SIFB as Senior Software Engineer in October 1997.

LAKSHIKA DEVI RAMKISSOON, *Administrative Secretary*

Ms. L. D. Ramkissoon holds a BA (Hons) Law and Management from the University of Mauritius, an LLM in International Business Law and is an Associate Member of the Institute of Chartered Secretaries and Administrators. She joined the SIFB on 3 November 2009.

JAYENDRA SOOKDEB, *Claims Manager*

Mr. J. Sookdeb holds a BSc Statistics from the University of Cape Town and a Diploma in Actuarial Techniques from the Institute of Actuaries, UK. He is currently an affiliate member of the Institute and Faculty of Actuaries, UK, and joined the SIFB on 14 April 2009.

Address 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
 Website: www.sifb.biz

Sub-Offices	Address	Factory Areas
Bon Accueil	FSC Building Royal Road Bon Accueil Tel: 418-1967	Beau Champ Constance
Mare D'Albert	18 Royal Road Mare D'Albert Tel: 627-4026	Savannah Mon Trésor Riche En Eau Rose Belle
Pamplemousses	Royal Road Maison Blanche Pamplemousses Tel: 243-3542	Belle Vue Mon Loisir Beau Plan
Quartier Militaire	New Road Quartier Militaire Tel: 435-5543	F.U.E.L Mon Désert Alma
Souillac	Royal Road Souillac Tel: 625-5691	Union St Aubin Britannia St Félix Bel Ombre
Vacoas	Independence Road Vacoas Tel: 696-6386	Médine Highlands

CROP 2013 OVERVIEW

1.1 GENERAL INSURANCE

1.1.1 Sugar Production

Total caneweight sent to mills for sugar production was 3.816 million tonnes resulting in a total sugar production of 408,536 tonnes at an islandwide average extraction rate of 10.71% against a Total Insurable Sugar of 447,553 tonnes, i.e. a sugar production percentage of 91.3%.

The islandwide crop reduction being 8.7%, i.e. below the statutory threshold, no event year has been declared by the Board. As such, no general compensation was payable for Crop 2013.

1.1.2 Sugar Price for Insurance

The sugar price for insurance purposes for Crop 2013 was in December 2013, determined at the rate of Rs17,091 per metric tonne of sugar for planters, inclusive of the added value of molasses, whilst milling side, was fixed at Rs16,500 per metric tonne of sugar.

1.1.3 Fall in Harvest Extent

The total acreage for harvest for crop 2013 declined by 2.1%, standing at 52,311 hectares against 53,428 hectares for crop 2012.

1.2 FIRE INSURANCE

1.2.1 Inter-crop Fire 2013

For Crop 2013, the total number of accounts of growers eligible for fire compensation caused by intercrop fire was 143 with a total extent of 150 hectares of land under cane reported as destroyed islandwide. The number of fire cases was more prominent in the North sector of the island, followed by the South. The highest extent reported damaged was noted in the East sector of the island. The compensation paid to insureds for loss consequent upon destruction of cane plantations by inter-crop fire amounted to Rs 6.013 M.

1.2.2 Fire during Harvest Season 2013

The number of accidental/criminal fire occurrences during harvest season was more prominent in the North sector of the island. A total amount of Rs 1.222 M has been disbursed for 34 planters as transport allowance for milling of burnt canes outside their respective factory areas.

1.3 RESTRUCTURING OF THE SUGAR INSURANCE FUND BOARD

Following the continual fall in harvest extent, centralization of the sugarcane industry, coupled with a reduction of 50% of the general insurance premium rates (actuarial review), the Board commissioned a human resource consultancy, the recommendations of which were adopted by the Board in May 2013. In this new set up, as the general insurance cover shifted from a detailed to a catastrophic type, coupled with the use of new technologies, such as a mobile survey information system, the Board could proceed with a Voluntary Retirement Scheme (VRS) which effectively reduced its active human resource by 41% whilst reducing the overall administrative cost by some 32%.

1.4 NEW ACTUARIAL STUDY

The recommendations in the 2011 Actuarial Report enacted by Act No. 1 of 2012, more particularly the 50% reduction of all general insurance premiums, were well received by insureds of the SIFB.

However, the basis for 'Event Year' declaration, the threshold of 25% in crop reduction measured island-wide to trigger compensation payable to insured caused discontent, despite the fact that the Board, in its own deliberate judgment, provided a flexible sunset clause (Section 25(2)) to declare an event year for overall crop reduction in the range of 20% to 25%, subject to an actuarial advice.

Against this background and to continue the fulfillment of its obligations under the SIF Act, the Board has commissioned a fresh actuarial review. On the other hand, given the changing environment within which the sugarcane industry is evolving, the consulting actuaries have been requested to review also the operations of the Fire Insurance account and make appropriate recommendations.

The findings of the consulting actuaries are expected before the end of year 2014.

1.5 SERVICES PROVIDED BY THE SIFB

On and above its statutory obligations, the SIFB reports on land status to different Ministries for purposes such as land conversion, parceling of land, etc. The SIFB also assists planters in the procedures for obtention of duty free facilities on cabin vehicles. Moreover, the SIFB is frequently solicited by Governmental departments and insureds themselves for data on their holdings.

Financial Performance

The year under report showed a net surplus of MUR 264.92M (General and Fire) compared to a net surplus of MUR 498.65M for the year ended 31 December 2012 (restated). The lower surplus is mainly attributable to relatively lower exchange gains on foreign currency translation at year end and cost of implementation of the report on the review of Organization Structure and HR Requirements (Voluntary Retirement Scheme).

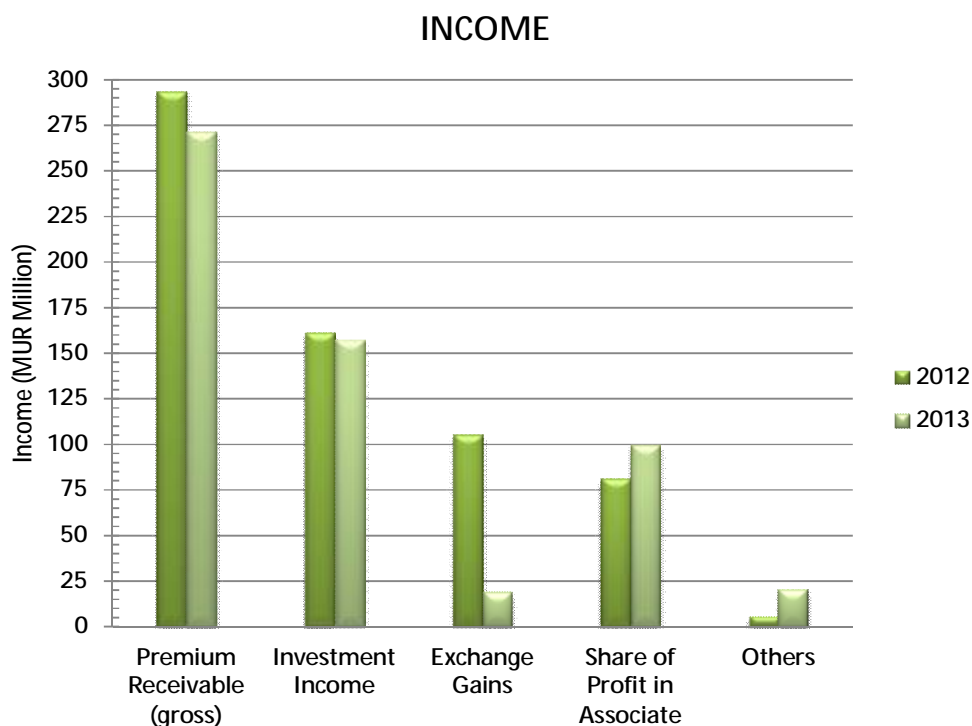
Table 1: Income and Expenditure summary

Item	General Fund MUR Million	Fire Fund MUR Million	Total MUR Million
Gross Insurance Premium	265.9	5.6	271.5
Insurance compensation payable	-	(7.5)	(7.5)
Surplus/(Deficit) on Insurance Account	265.9	(1.9)	264.0
Other Income	296.5	-	296.5
Other Expenses	(295.4)	(0.2)	(295.6)
Net surplus/(deficit)	267.0	(2.1)	264.9

Income

Insurance premium receivable, investment income, share of profit of Associate, exchange gains on foreign currency translation and profit on sale of available-for-sale securities forms the bulk of the Fund's income amounting to MUR 562.4M for the year under review.

The composition of income is shown below:



Insurance Premium

Gross Insurance Premium (General and Fire) for crop year 2013 receivable during the period amounted to MUR 271.5M compared to a figure of MUR 293.8M for the previous crop year.

Table 2: Premium Income

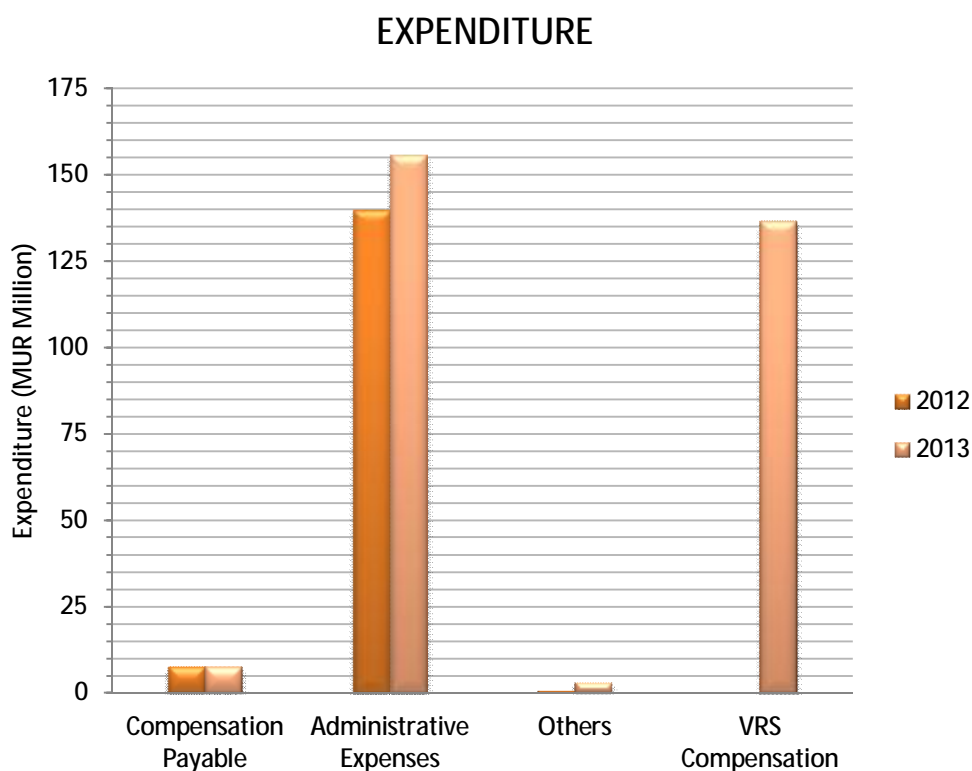
Premium (Gross)	Total MUR Million
General	265.9
Fire	5.6
Total	271.5

Investment Income

Investment income (Interest and Dividend) was slightly down by 2.5% over the one year period, decreasing from MUR 161.3M (Restated 2012) to MUR 157.3M for the year under report, as a result of relatively unfavorable interest rates obtained on the market compared to the previous year.

Expenditure

The overall expenditure of the Fund for the year was MUR 303.1M compared to MUR 148.3M for the previous year. The total expenditure for 2013 included an amount of MUR 136.6M as compensation to employees under the voluntary retirement scheme.



Accumulated Fund

The Accumulated Fund, comprising of the General Fund and the Fire Fund, increased from MUR 5,198.3M (Restated 2012) to MUR 5,463.2M during the year, representing an increase of 5.1%. This increase is a result of the net surplus for the year.

Table 3: Accumulated Fund

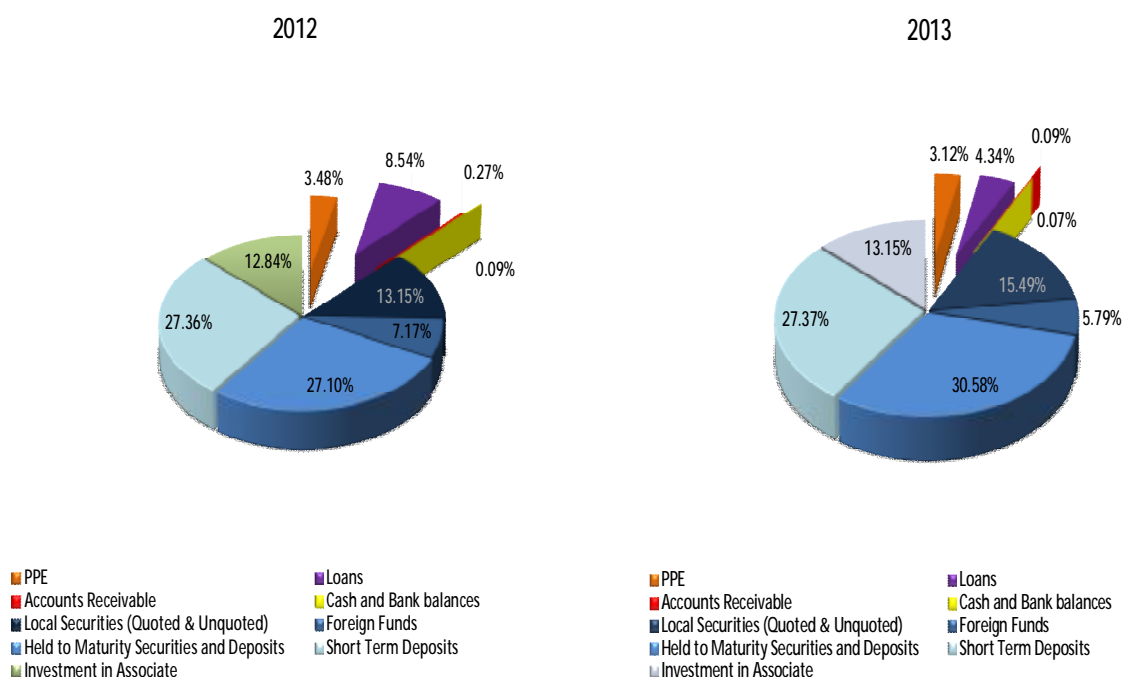
Fund	Total MUR Million
General	5,465.1
Fire	(1.9)
Total	5,463.2

Note: the Fire Fund is for the first time reported as negative.

Assets under management

Total assets under management amounted to MUR 6.4 billion as at 31 December 2013 (MUR 6.0 billion at 31 December 2012), posting a positive change of 6.7%. Given the short term liability of the Fund arising out of unpredictable adverse climatic conditions, a high proportion of funds are invested on fairly liquid terms (based on Maximum Probable Loss), while investments in longer terms have been possible due to the size of the Fund. The financial asset of the Fund grew over time and is fair valued at MUR 5.93 billion as at 31 December 2013 (5.26 billion at 31 December 2012).

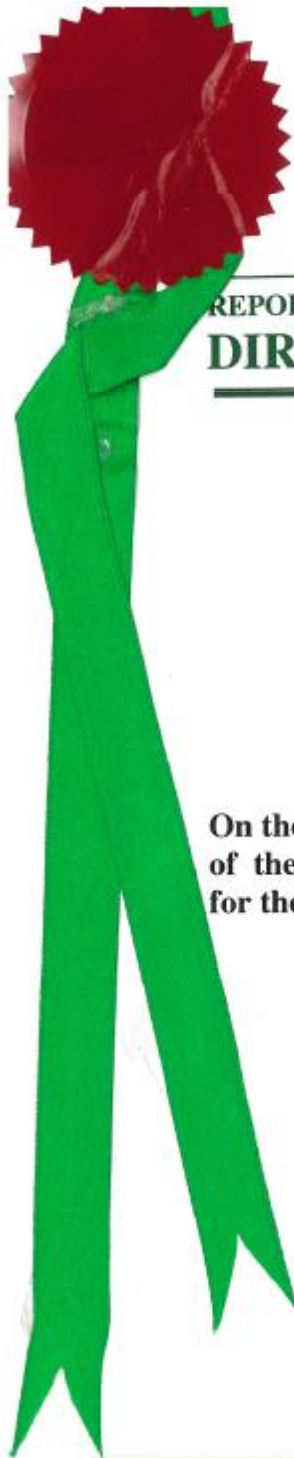
A breakdown of total assets under management is shown below:





SUGAR INSURANCE FUND BOARD

Appendix A



**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Sugar Insurance Fund Board
for the year ended 31 December 2013**

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

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

Report on the Financial Statements

I have audited the accompanying financial statements of the Sugar Insurance Fund Board which comprise the statement of financial position as of 31 December 2013, the statement of financial performance and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Sugar Insurance Fund Board as of 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Report on Other Legal and Regulatory Requirements.

Management's Responsibility

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the laws and authorities which govern them.

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them.

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

Opinion

Statutory Bodies (Accounts and Audit) Act

In my opinion, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Statutory Bodies (Accounts and Audit) Act.

The Financial Reporting Act

The Board is responsible for preparing the Corporate Governance Report. My responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the code.

In my opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.



K.C.TSE YUET CHEONG (Mrs)
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

3 September 2014

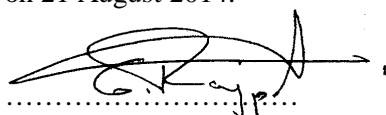
Financial Statement

2013

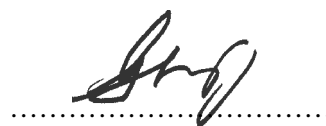
STATEMENT OF THE FINANCIAL POSITION
AT 31 DECEMBER 2013

ASSETS	Notes	31 December 2013 MUR	31 December 2012 (Restated) MUR
CURRENT ASSETS			
Accounts receivable	5	6,136,055	16,418,373
Investments in securities and deposits	6	1,946,259,358	1,337,586,850
Investment property held for sale			4,000,000
Short term loans	8	271,500,000	509,570,174
Bank and cash balances		4,222,642	5,332,776
Short term deposits	9	1,757,931,947	1,648,386,743
		3,986,050,002	3,521,294,916
NON-CURRENT ASSETS			
Property, plant and equipment	10	145,627,878	147,898,165
Investments in securities and deposits	6	1,384,230,902	1,518,806,990
Investment in Associate	7	844,253,612	773,418,800
Investment property	11	55,000,000	58,000,000
Long term loans	12	6,940,000	4,974,287
		2,436,052,392	2,503,098,242
TOTAL ASSETS		6,422,102,394	6,024,393,159
LIABILITIES			
CURRENT LIABILITIES			
Account payable	13	16,093,106	13,008,131
Short Term employee benefits	15	5,689,326	8,008,160
		21,782,432	21,016,291
NON-CURRENT LIABILITIES			
Provision for staff passage benefits	14	5,317,393	9,088,183
Long term employees benefits	15	38,315,769	54,535,123
Retirement benefit obligations	16	120,699,681	117,145,651
		164,332,843	180,768,957
TOTAL LIABILITIES		186,115,275	201,785,248
NET ASSETS		6,230,233,506	5,796,489,110
NET ASSETS / EQUITY			
Accumulated funds		5,463,232,063	5,198,314,610
Revaluation reserves		772,755,055	624,293,300
TOTAL NET ASSETS / EQUITY		6,235,987,118	5,822,607,910

Approved by the Board of Directors and authorised for issue on 27 March 2014 and subsequently amended on 21 August 2014.



Chairman



Director

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Year ended 31 December 2013 MUR	Year ended 31 December 2012 (Restated) MUR
GENERAL INSURANCE ACCOUNT			
REVENUE			
Insurance premium		265,920,300	288,000,000
Investment income	18	157,275,503	161,330,002
Share of profit of Associate	7	99,711,800	81,322,100
Exchange gains on foreign currency deposit		18,934,900	105,084,395
Profit on sale of AFS securities & PPE		20,196,295	543,763
Other Revenue		391,709	4,783,071
TOTAL REVENUE		562,430,507	641,063,331
EXPENSES			
Administrative	19	155,855,486	139,792,119
Voluntary Retirement Scheme Compensation	20	136,619,907	–
Other losses	21	3,000,000	607,622
TOTAL EXPENSES		295,475,393	140,399,741
Surplus to General Fund for the year		266,955,114	500,663,590
FIRE INSURANCE ACCOUNT			
REVENUE			
Insurance premium		5,600,000	5,800,000
Investment income	18	–	94,000
TOTAL REVENUE		5,600,000	5,894,000
EXPENSES			
Insurance compensation		7,469,662	7,731,929
Management fee to General Fund		168,000	174,000
TOTAL EXPENSES		7,637,662	7,905,929
Deficit to Fire Fund for the year		(2,037,662)	(2,011,929)
Surplus for the year		264,917,452	498,651,661

STATEMENT OF CHANGES IN NET ASSETS / EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	<u>Accumulated Funds</u>		<u>Revaluation Reserves</u>		<u>Total</u> MUR
	<u>General Fund</u> MUR	<u>Fire Fund</u> MUR	<u>Property</u> MUR	<u>Investments</u> MUR	
At 31 December 2011 (as previously reported)	4,056,741,871	2,145,107	94,006,583	1,092,083,659	5,244,977,219
Adjustment on application of IPSAS 7	640,775,971	–	–	(599,542,200)	41,233,771
At 31 December 2011 (as restated)	4,697,517,842	2,145,107	94,006,583	492,541,459	5,286,210,990
Revaluation reserves realised on disposal	–	–	(301,485)	165,162	(136,323)
Fair value gain on available-for- sale financial assets	–	–	–	10,846,139	10,846,139
Gain on revaluation of property	–	–	27,035,443	–	27,035,443
Net surplus/(deficit) for the year	500,663,590	(2,011,929)	–	–	433,616,632
At 31 December 2012 (as restated)	5,198,181,432	133,178	120,740,541	503,552,760	5,822,607,910
Revaluation reserves realised on disposal	–	–	(3,911,500)	(15,664,434)	(19,575,934)
Fair value gain on available-for- sale financial assets	–	–	–	174,202,994	174,202,994
Gain on revaluation of property	–	–	–	416,095	416,095
Share of Associate not reported in surplus	–	–	–	(6,581,400)	(6,581,400)
Net surplus / (deficit) for the year	266,955,114	(2,037,662)	–	–	264,917,452
At 31 December 2013	5,465,136,546	(1,904,484)	116,829,041	655,926,015	6,235,987,116

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Year ended 31 December 2013 MUR	Year ended 31 December 2012 (Restated) MUR
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Surplus/(Deficit) for the year	264,917,452	498,651,661
Adjustments for:		1,762,154,589
Share of profit of Associate	(99,711,800)	(81,322,100)
Provision for passage benefits	3,318,103	3,306,744
Payment of passage benefits	(7,888,894)	(2,683,710)
Depreciation of non-current assets	8,531,889	8,114,247
Investment income	(157,275,503)	(161,330,002)
Loss/(Profit) on sale of plant & equipment	18,975	(543,763)
(Profit)/Loss on disposal of available-for-sale securities	(16,503,770)	607,622
Profit on disposal of investment properties	(3,711,500)	-
Loss on revaluation of investment properties	3,000,000	-
Retirement benefits charged	3,554,030	5,748,800
Provision for employees benefits	21,664,121	5,658,682
Employees benefits paid	(40,202,308)	(3,849,908)
	(20,289,205)	272,358,273
OPERATING SURPLUS BEFORE WORKING CAPITAL CHANGES		
Decrease in trade and other receivables	1,507,845	380,148
Increase/(Decrease) in trade and other payables	3,884,975	(196,678,228)
	(14,896,385)	76,060,193
NET CASH GENERATED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment to acquire financial assets	(845,504,348)	(487,269,791)
Proceeds from sale of financial assets	582,247,740	235,016,460
Dividend received	50,844,350	45,936,844
Interest received	93,345,355	97,707,749
Payment for property, plant and equipment	(6,284,026)	(4,664,607)
Proceeds from sale of property, plant and equipment	3,803,450	362,328
	(121,547,479)	(112,911,017)
NET CASH USED BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loans granted	(271,500,000)	(311,610,135)
Proceeds from short term loans	509,570,174	387,042,163
Net proceeds from/(issue) long term loans	6,808,760	10,730,127
	244,878,934	86,162,155
NET CASH GENERATED BY FINANCING ACTIVITIES		
	108,435,070	49,311,331
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,653,719,519	1,604,408,188
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
	1,762,154,589	1,653,719,519
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash & cash equivalent is represented by:		
Bank and cash balances	4,222,642	5,332,776
Short term deposits	1,757,931,947	1,648,386,743
	1,762,154,589	1,653,719,519

Note:

During the period, the SIFB acquired plant and equipment with an aggregate cost of Rs 6,284,026/- Payments of Rs 6,284,026/- were made for purchase of plant & equipment.

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	Original/ Final Budget MUR	Actual Amount MUR
GENERAL INSURANCE ACCOUNT			
REVENUE			
Insurance premium	22(i)	258,000,000	265,920,300
Interest Receivable	22(ii)	140,000,000	129,924,987
Dividend Income	22(iii)	36,000,000	27,350,516
Share of profit of Associate	22(iv)	–	99,711,800
Exchange gains	22(v)	–	18,934,900
Profit on sale of AFS Securities & PPE	22(vi)	5,000,000	20,196,295
Other Revenue		1,000,000	223,709
TOTAL REVENUE		440,000,000	562,262,507
EXPENSES			
Administrative Expenses	22(vii)	147,520,000	155,855,486
Voluntary Retirement Scheme Compensation	22(viii)	–	136,619,907
Other Losses	22(ix)	–	3,000,000
TOTAL EXPENSES		147,520,000	295,475,393
Surplus to General Fund for the year		292,480,000	266,787,114
FIRE INSURANCE ACCOUNT			
REVENUE			
Insurance premium		5,600,000	5,600,000
TOTAL REVENUE		5,600,000	5,600,000
EXPENSES			
Insurance compensation		8,000,000	7,469,662
TOTAL EXPENSES		8,000,000	7,469,662
Deficit to Fire Fund for the year		(2,400,000)	(1,869,662)
Surplus/(Deficit) for the year		290,080,000	264,917,452

(*) The Original and Final Budget are the same.

(**) The Annual Budget is prepared on the accrual basis of accounting.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. GENERAL

Legal form and main objective

The Sugar Insurance Fund Board (“the Fund”) is a statutory 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 and Economic Development. Its main objective is to operate a Crop Insurance for sugar producers.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS

Standards in issue but not yet effective

At the date of authorisation of the Financial Statements, the following Standards were in issue but not yet effective:

<i>Amendment to IPSAS 5</i>	<i>– Borrowing costs - effective for annual periods beginning on or after 1st January 2014</i>
<i>Amendment to IPSAS 13</i>	<i>– Leases - effective for annual periods beginning on or after 1st January 2014</i>
<i>Amendment to IPSAS 17</i>	<i>– Property, Plant and Equipment - effective for annual periods beginning on or after 1st January 2014</i>
<i>Amendment to IPSAS 29</i>	<i>– Financial Instruments (Recognition and measurement) - effective for annual periods beginning on or after 1st January 2014</i>
<i>Amendment to IPSAS 31</i>	<i>– Intangible Assets - effective for annual periods beginning on or after 1st January 2014</i>
<i>IPSAS 32</i>	<i>– Service Concession Arrangements: Grantor - effective for annual periods beginning on or after 1st January 2014</i>

The Directors anticipate that the adoption of these Standards in future periods will have no material financial impact on the financial statements of the Fund

3. ACCOUNTING POLICIES

The principal accounting policies of the Fund are:

3.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and modified by the revaluation of certain property, plant and equipment and investments and in accordance with International Public Sector Accounting Standards (IPSASs) for the accrual basis of accounting. The financial statements of the previous reporting period were also prepared in compliance with IPSAS and are therefore fully comparable.

The Financial Statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

3. ACCOUNTING POLICIES (CONT'D)**3.2 Basis of consolidation**

The financial statements have been consolidated and include the state of affairs and results of the Fund and those of its associate.

An Associate is an entity over which the Fund has significant influence but not control, generally accompanying a shareholding of between 20% to 50% of the voting rights. Investment in associate is accounted for by the equity method of accounting and is initially recognised at cost. The Fund's investment in associate includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Fund's share of its associate's post-acquisition profits or losses is recognised in the Statement of Financial Performance, its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Fund's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Fund does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

3.3 Revenue recognition

The Fund's revenue are earned from exchange transactions only and measured at the fair value of consideration received or receivable.

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 12.50 per tonne 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.

A management fee of 3% of Fire Premium is charged to the Fire Insurance Account.

A proportion of interest and dividend is apportioned to the Fire Fund based on Fund Value at start of year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2013

3. ACCOUNTING POLICIES (CONT'D)

3.4 Insurance contracts

(a) Recognition and measurement

Insurance covers provided by the Fund protect the insureds from the negative impact of events such as cyclones, droughts and excessive rainfall on sugar production consequently.

Compensation paid to insureds on occurrence of any event or a combination of events linked to the extent of loss suffered. Premiums are recognised as revenue on the period of cover.

Claims are charged to income based on the estimated liability for compensation payable to insured. They include claims arising out of events that have occurred up to the balance sheet though not reported to the Fund by the insureds. Estimated claims are based on internal data and provisional figures obtainable from different stakeholders.

(b) Liability adequacy test

At each end of reporting period, 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 the statement of financial performance.

3.5 Property, plant and equipment

Property, plant and equipment held for administrative purposes 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. A full year depreciation is charged in the year of acquisition, with no charge in year of disposal. The annual rates used for the purpose are as follows:

Buildings	Higher of 2.5% or based on remaining useful economic life
Improvement to land and buildings	10%
Furniture & other equipment	6.67% (15 years)
Motor vehicles	20%
Computer equipment and software	20%

The depreciation charged on buildings is based on their remaining useful economic life, determined through a thorough examination carried out in December 2009 by S. Jadav and Partners – Structural Engineer.

Prior to the year 2011, items of Furniture & Other equipment were depreciated at the rate of 10% (over 10 years). The consumption experience showed that the Fund was still deriving economic benefit from items under this asset class above the 10 year period. The depreciable life was thus increased to 15 years as from the year 2011.

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 statement of financial performance.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

3. ACCOUNTING POLICIES (CONT'D)**3.5 Property, plant and equipment (cont'd)**

Any revaluation increase arising on the revaluation of land and buildings is credited in equity (Revaluation Reserve), except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit and loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

At each end of reporting 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 statement of financial performance, 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 statement of financial performance, 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.

3.6 Investment property

Investment property which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in the statement of financial performance in the period in which they arise. The property being bare land, do not generate any rental income.

3.7 Insurance compensation

Insurance compensation is expensed when the claims are assessed following the end of the crop season.

3.8 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 (buying rate) ruling at the end of reporting period, such rate being determined as the highest buying rate available from the Fund's main bankers and the Bank of Mauritius.

All exchange differences on translation are dealt with in the statement of financial performance.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

3. ACCOUNTING POLICIES (CONT'D)**3.9 Cash and cash equivalents**

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

3.10 Provisions/Contingent Liabilities**(a) 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 end of reporting period and adjusted to reflect the current best estimate.

(b) Contingent Liabilities

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

The present obligation that arises from past events is not recognised because:

- (i) It is not probable that an outflow of resources will be required to settle the obligation; or
- (ii) The amount of the obligation cannot be measured with sufficient reliability.

3.11 Retirement benefit obligations***Defined Benefit Plan***

Provision for retirement benefits for the SIFB staff are made under the Statutory Bodies Pension Act 1978 as amended and in accordance with IPSAS 25 (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 end of reporting period 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 revenue or expense if the net cumulative unrecognised actuarial gains or losses at 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 (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

3. ACCOUNTING POLICIES (CONT'D)**3.11 Retirement benefit obligations (cont'd)**

The portion of actuarial gains and losses recognised is determined based on the average remaining working life of existing employees.

State Plan

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

3.12 Financial instruments

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

a) *Financial Assets****Classification***

Financial assets are classified into the following specified categories: financial assets 'at fair value through surplus or deficit' (FVTSD), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Financial assets at FVTSD

Financial assets are classified as at FVTSD where the financial asset is either held for trading or it is designated as at FVTSD.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Fund manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTSD upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis.

Financial assets at FVTSD are stated at fair value, with any resultant gain or loss recognised in surplus or deficit. The net gain or loss recognised in surplus or deficit incorporates any dividend or interest earned on the financial asset.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

3. ACCOUNTING POLICIES (CONT'D)**3.12 Financial instruments (cont'd)***(a) Financial Assets (cont'd)**(ii) Held-to-maturity investments*

Investments with fixed or determinable payments and fixed maturity dates, that the Fund has the positive intent and ability to hold to maturity, are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

(iii) Available-for-sale (AFS) financial assets

Securities that are traded in an active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in surplus or deficit for the period.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in surplus or deficit, and other changes are recognised in equity.

(iv) 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 amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTSD, are assessed for indicators of impairment at each end of reporting period.

Financial assets are impaired where 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 impacted.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

3. ACCOUNTING POLICIES (CONT'D)**3.12 Financial instruments (cont'd)**

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost.

For all other financial assets evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through surplus or deficit to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised through surplus or deficit are not reversed through surplus or deficit. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(b) Financial liabilities***Classification***

Financial liabilities are classified as either financial liabilities 'at FVTSD' or 'other financial liabilities'.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

3. ACCOUNTING POLICIES (CONT'D)

3.12 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

(i) Financial liabilities at FVTSD

The Fund due to its nature of activities does not hold any financial liabilities designated “at FVTSD”

(ii) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognized.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IPSAS 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.

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 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.

5. ACCOUNTS RECEIVABLE/ PREPAYMENTS

	31 December 2013 MUR	31 December 2012 MUR
Loan - Mauritius Housing Company Ltd	–	8,000,000
Other loans (Note 12(iii))	466,356	978,115
Motor vehicles loans (Note 12(i))	1,493,379	1,594,355
Personal loans (Note 12(ii))	27,569	189,307
Interest receivable	3,046,519	3,848,186
Debtors insurance premium receivable	14,928	14,928
Dividends receivable	88,677	1,198,246
Other receivables/Prepayments	998,627	595,236
	6,136,055	16,418,373

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

6. INVESTMENTS IN SECURITIES AND DEPOSITS

	----- Available-For-Sale Financial Assets -----				
	Local Quoted MUR	Local Unquoted MUR	Foreign Equities/Funds MUR	Held-To- Maturity Securities and Deposits MUR	Total MUR
AT FAIR VALUE					
At 1 January 2013	779,021,229	13,216,499	431,652,361	1,632,503,751	2,856,393,840
Additions	50,342,000	–	1,012,296	794,150,052	845,504,348
Disposals/Matured/Redeemed	–	–	(82,569,572)	(534,644,823)	(617,214,394)
Reclassification	1,000,000	(1,000,000)	–	–	–
Interest capitalised/ receivable	–	–	–	71,187,378	71,187,378
Increase/(Decrease) in fair value	150,469,934	1,752,289	21,980,771	416,095	174,619,089
At 31 December 2013	980,833,163	13,968,788	372,075,856	1,963,612,453	3,330,490,260
Classified as:					
- Short term	–	–	–	1,946,259,358	1,946,259,358
- Long term	980,833,163	13,968,788	372,075,856	17,353,096	1,384,230,902
	980,833,163	13,968,788	372,075,856	1,963,612,453	3,330,490,260
AT COST					
At 31 December 2013	478,840,285	2,151,155	270,848,810	1,963,612,453	2,715,452,703
At 31 December 2012	427,498,285	3,15,155	336,735,796	1,632,503,751	2,413,888,987

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

6. 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 and the Development and Enterprise 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 end of reporting period.

Local Unquoted

Local unquoted investments comprise mainly of shares held in Sugar Investment Trust (SIT) and The MFL Fund. Investment in SIT have been fair valued at MUR11.40 Million at 31 December 2013, based on the last available equity value (30 June 2013) of the trust. Investments in The MFL Fund, which is an open-ended Fund, are stated at market value at MUR 1.41 Million at 31 December 2013.

Foreign Equities /Funds

Investments in foreign equities/ funds, including shares held in African Reinsurance Corporation (Africa Re), Investec GSF, Comgest, Threadneedle, Sarasin, BlackRock Global, Shroders, GAM, London & Capital Real Estate, UBS, Fidelity, Franklin Templeton, Morgan Stanley Funds are stated at market value based on the exchange rate ruling at the end of reporting period.

(b) Held-To-Maturity Securities and Deposits

Held-To-Maturity Securities and Deposits, which are stated at amortised cost, bear interests at rates ranging from 2.50% to 6.50 % per annum to mature between January 2014 and July 2018 and comprise of:

	31 December 2013 MUR	31 December 2012 MUR
Treasury Bills	88,916,356	119,992,039
Deposits	1,857,343,002	1,512,511,712
Fixed Maturity Unquoted Bonds	17,353,096	-
	1,963,612,454	1,632,503,751

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

7. INVESTMENT IN ASSOCIATE

The Fund holds 20% of the ordinary share capital of SICOM Group and is represented on its Board of Directors.

Summarised financial information of the Fund's Associate is set out below:

	31 December 2013 MUR	31 December 2012 MUR
Total Assets	<u>17,382,460,000</u>	<u>16,494,152,000</u>
Total Liabilities	<u>13,156,587,000</u>	<u>12,622,439,000</u>
Total profit for the year	<u>498,559,000</u>	<u>406,610,500</u>
Share of profit	<u>99,711,800</u>	<u>81,322,100</u>
Share of net assets	<u>844,253,612</u>	<u>773,418,800</u>

8. SHORT TERM LOANS

	31 December 2013 MUR	31 December 2012 MUR
Loans to Mauritius Sugar Syndicate - (MSS)	271,500,000	509,570,174
	<u>271,500,000</u>	<u>509,570,174</u>

Loans to MSS relate to Crop 2013 premium receivable advanced to MSS for a period of 4 months at an interest rate of 4.25% p.a.

9. SHORT TERM DEPOSITS

	31 December 2013 MUR	31 December 2012 MUR
Foreign Currency deposits with banks:		
USD	920,566,604	658,772,564
EURO	768,739,142	919,725,879
GBP	29,537,088	29,128,246
Deposits on call at banks - MUR	39,089,113	40,760,054
	<u>1,757,931,947</u>	<u>1,648,386,743</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold/ Leasehold Land MUR	Buildings MUR	Improvement to Land and Buildings MUR	Furniture & Other Equipment MUR	Motor Vehicles MUR	Computer Equipment & Software MUR	Total MUR
COST AND VALUATION							
At 31 December 2011	52,275,000	66,325,000	6,175,322	13,727,062	3,673,500	16,766,508	158,942,392
Surplus on Revaluation	7,182,842	10,625,000	–	–	–	–	17,807,842
Additions	–	–	431,550	564,161	1,066,450	2,602,445	4,664,606
Disposals	(77,842)	–	–	(45,223)	(250,000)	(290,490)	(663,555)
At 31 December 2012	59,380,000	76,950,000	6,606,873	14,246,000	4,489,950	19,078,463	180,751,285
Additions	–	–	195,000	161,303	–	5,927,723	6,284,026
Disposals	–	–	–	–	–	(37,375)	(37,375)
At 31 December 2013	59,380,000	76,950,000	6,801,873	14,407,302	4,489,950	24,968,812	186,997,936
DEPRECIATION							
At 31 December 2011	–	9,652,602	2,146,428	11,266,537	1,894,701	9,974,712	34,934,980
Charge for the year	–	3,447,676	636,541	281,116	897,990	2,850,924	8,114,247
Disposals	–	–	–	(3,015)	(250,000)	(290,490)	(543,505)
Elimination on Revaluation	–	(9,652,602)	–	–	–	–	(9,652,602)
At 31 December 2012	–	3,447,676	2,782,969	11,544,638	2,542,691	12,535,146	32,853,120
Charge for the year	–	3,447,675	615,645	291,869	577,990	3,598,710	8,531,889
Disposals	–	–	–	–	–	(14,950)	(14,950)
At 31 December 2013	–	6,895,351	3,398,614	11,836,507	3,120,681	16,118,906	41,370,059
NET BOOK VALUE							
At 31 December 2013	59,380,000	70,054,649	3,403,259	2,570,795	1,369,269	8,849,906	145,627,878
At 31 December 2012	59,380,000	73,502,324	3,749,273	2,775,992	1,947,259	6,543,317	147,898,165

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

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

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

At 31 December 2012	Cost MUR	Accumulated Depreciation MUR	Net book value MUR
Freehold Land	3,996,388	–	3,996,388
Buildings	39,802,301	(19,581,685)	20,220,616
	<u>43,798,689</u>	<u>(19,581,685)</u>	<u>24,217,004</u>
At 31 December 2013	Cost MUR	Accumulated depreciation MUR	Net book value MUR
Freehold Land	3,996,388	–	3,996,388
Buildings	39,802,301	(20,576,742)	19,225,558
	<u>43,798,689</u>	<u>(20,576,742)</u>	<u>23,221,946</u>

Freehold land and buildings were revalued in December 2012 by Alan Tinkler, Ramlackhan & Co. (Principal – Rhoj Ramlackhan, B.Sc (Hons)., M.R.I.C.S, M.M.I.S. Chartered Valuation Surveyor).

(i) As disclosed by the Valuer, the main valuation approaches used were:

- (a) The Direct Comparison Method of valuation for freehold properties, based on transactions within the close vicinity of the subject site with adjustments for dissimilarity and specificities.
- (a) The Investment Method of valuation for leasehold property.

(ii) The following assumptions were made by the Valuer:

- (a) The properties have good and marketable title;
- (b) The properties are free of any undisclosed onerous burdens, outgoings or restrictions;
- (c) The properties are occupied and used in accordance with all requisite consents (except where advised otherwise);
- (d) There are no outstanding statutory notices;
- (e) The building contains no deleterious materials and sites are unaffected by adverse soil conditions (except where advised otherwise);
- (f) There is no potential contamination from uses of the properties or sites adjacent to the subject properties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

11. INVESTMENT PROPERTY

	31 December 2013 MUR	31 December 2012 MUR
At start of year	58,000,000	58,000,000
Loss on revaluation	(3,000,000)	-
At end of year	55,000,000	58,000,000

Investment property relates to bare land at Mere Barthelemy Street Port Louis, which was last revalued in December 2013 by Broll Indian Ocean (Principal - Rhoy Ramlackhan, B.Sc (Hons), M.R.I.C.S, M.M.I.S. Chartered Valuation Surveyor).

12. LONG TERM LOANS

		31 December 2013 MUR	31 December 2012 MUR
Motor Vehicles Loans	(i)	6,021,779	2,976,481
Personal Loans	(ii)	-	69,743
Other Loans	(iii)	918,221	1,928,063
		6,940,000	4,974,287

(i) Motor Vehicles Loans (staff)

Total amount	7,515,158	4,570,836
Deduct: Amount falling due within one year (Note 5)	(1,493,379)	(1,594,355)
Amount falling due after more than one year	6,021,779	2,976,481

Motor Vehicle Loans to staff disbursed prior to January 2013 bear interest at 7.5% per annum and thereafter at 4.0% per annum, as per conditions of service.

(ii) Personal Loans (staff)

	31 December 2013 MUR	31 December 2012 MUR
Total amount due	27,569	259,050
Deduct: Amount falling due within one year (Note 5)	(27,569)	(189,307)
Amount falling due after more than one year	-	69,743

Personal loans to staff bear interest at Prime Lending Rate (Commercial Bank) plus 2.5% per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

(iii) Other Loans (staff)

	31 December 2013 MUR	31 December 2012 MUR
Total amount due	1,384,578	2,906,178
Deduct: Amount falling due within one year (Note 5)	(466,356)	(978,115)
	918,222	1,928,063

Loans to staff bear interest at rates ranging from 9.0% to 13.0 % per annum as per the staff's conditions of service, as well as the amount of the loan.

13. ACCOUNTS PAYABLE

	31 December 2013 MUR	31 December 2012 MUR
Provision for Fire Insurance Compensation (*)	7,234,259	5,304,553
Advance receipt on sale of land at Bramsthan	-	2,500,000
Accruals	3,316,689	2,478,313
Provision for passage benefits (note 14)	1,800,000	2,600,000
Others	3,742,158	125,265
	16,093,106	13,008,131

* The Islandwide reduction in sugar production for Crop 2013 being 8.7%, well below the statutory Thresholds, no event year is declarable under the law.

14. PROVISION FOR STAFF PASSAGE BENEFITS

	31 December 2013 MUR	31 December 2012 MUR
At 1 January	11,688,183	11,065,149
Payment during the year	(7,888,893)	(2,683,710)
Provision for the year	3,318,103	3,306,744
	7,117,393	11,688,183
<u>Less:</u> Amount due within one year (Note 13)	(1,800,000)	(2,600,000)
At 31 December	5,317,393	9,088,183

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

15. EMPLOYEES BENEFITS

	31 December 2013 MUR	31 December 2012 MUR
At 1 January	62,543,283	60,734,509
Charge for the year	21,664,121	5,658,682
	84,207,404	66,393,191
<u>Less: Payment during the year</u>	<u>(40,202,309)</u>	<u>(3,849,908)</u>
At 31 December	44,005,095	62,543,283
Classified as:		
Long Term	38,315,769	54,535,123
Short Term	5,689,326	8,008,160

16. RETIREMENT BENEFIT OBLIGATIONS

The pension plan is a final salary defined benefit plan for employees funded by the employer and the employees. The assets of the 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).

Any actuarial gain/loss is recognised within the Statement of financial performance using the Corridor Approach. For the year 2013, the portion of actuarial loss recognised has been based on an average remaining working life of 16 years.

(i) Amounts recognised in statement of financial position:

	31 December 2013 MUR	31 December 2012 MUR
Present value of funded obligation	670,531,072	485,944,924
Fair value of plan assets	(316,485,350)	(374,967,115)
	354,045,722	110,977,809
Unrecognised actuarial (loss)/gain	(233,346,041)	6,167,842
Liability in statement of financial position	120,699,681	117,145,651

(ii) Amounts recognised in statement of financial performance:

	31 December 2013 MUR	31 December 2012 MUR
Current service cost	6,753,249	9,513,318
Employee Contribution	(4,401,379)	(4,243,806)
Fund Expenses	257,159	226,972
Interest cost	38,875,594	46,599,415
Expected return on plan assets	(26,259,508)	(35,120,475)
Total included in staff costs	15,225,115	16,975,424
Actual return on plan assets	34,959,733	27,912,741

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

16. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(iii) The figures have been arrived at by using the following actuarial assumptions:

	31 December 2013 %	31 December 2012 %
Discount Rate	8.00	10.00
Expected Rate of Return on plan assets	8.00	10.00
Future salary increases	5.50	7.00
Future Pension increases	3.50	5.00

(iv) Movements in liability recognised in the statement of financial position:

	31 December 2013 MUR	31 December 2012 MUR
At 1 January	117,145,651	111,396,851
Total staff cost as above	15,225,115	16,975,424
Contributions paid by employer	(11,671,085)	(11,226,624)
Actuarial reserves transferred in	-	-
At 31 December	120,699,681	117,145,651

(v) Reconciliation of the present value of defined benefit obligation:

	31 December 2013 MUR	31 December 2012 MUR
Present value of obligation at start of period	485,944,924	465,994,150
Current service cost	6,753,249	9,513,318
Interest cost	38,875,594	46,599,415
Benefits paid	(109,261,844)	(23,544,202)
Liability (gain)/ loss	248,219,149	(12,617,757)
Present value of obligation at end of period	670,531,072	485,944,924

(vi) Reconciliation of fair value of plan assets:

	31 December 2013 MUR	31 December 2012 MUR
Fair value of plan assets at start of period	374,967,115	355,355,118
Expected return on plan assets	26,259,508	35,120,475
Employer contributions	11,671,085	11,226,624
Employee contributions	4,401,379	4,243,806
Actuarial Reserves transferred in	-	-
Benefits paid + other outgo	(109,519,004)	(23,771,174)
Asset gain/(loss)	8,705,267	(7,207,734)
Fair value of plan assets at end of period	316,485,350	374,967,115

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

16. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(vii) Distribution of plan assets at end of period were:

Percentage of assets at end of year	% of fair value of total plan assets	
	31 December 2013	31 December 2012
Government securities and cash	59.1	58.8
Loans	4.9	6.6
Local equities	21.9	21.0
Overseas equities and bonds	13.4	12.8
Property	0.7	0.8
Total	100.0	100.0

The assets of the plan are invested in funds managed by State Insurance Company of Mauritius Ltd.

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

(viii) History of obligations, assets and experience adjustments:

	31 December 2013	31 December 2012
	MUR	MUR
Fair value of plan assets	316,485,350	374,967,115
Present value of defined benefit obligation	(670,531,072)	(485,944,924)
Deficit	(354,045,722)	(110,977,809)
Asset experience gain/ (loss) during the period	8,705,267	(7,207,734)
Liability experience (loss)/gain during the period	(248,219,149)	12,617,757

(ix) Expected Employer's contributions (estimate to be reviewed by the Sugar Insurance Fund Board) for the year ending 31 Dec 2014: **Rs. 8,612,811.**

(x) Five year summary – Experience adjustment

Amounts recognised in statement of financial position:

	31 December 2013	31 December 2012	31 December 2011	31 December 2010	31 December 2009
	MUR	MUR	MUR	MUR	MUR
Present value of funded obligation	670,531,072	485,944,924	465,994,150	454,942,323	443,189,705
Fair value of plan assets	(316,485,350)	(374,967,115)	(355,355,118)	(352,496,541)	(323,092,281)
Unrecognised actuarial (loss)/gain	354,045,722 (233,346,041)	110,977,809 6,167,842	110,639,032 757,819	102,445,782 5,404,690	120,097,424 (14,963,172)
Liability in statement of financial position	120,699,681	117,145,651	111,396,851	107,850,472	105,134,252

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2013

16. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Reconciliation of the present value of defined benefit obligation:

	Year ended 31 December 2013 MUR	Year ended 31 December 2012 MUR	Year ended 31 December 2011 MUR	Year ended 31 December 2010 MUR	Year ended 31 December 2009 MUR
Present value of obligation at start of period	485,944,924	465,994,150	454,942,323	443,189,705	454,207,656
Current service cost	6,753,249	9,513,318	9,387,011	9,402,368	9,194,125
Interest cost	38,875,594	46,599,415	47,768,944	46,534,919	47,691,804
Benefits paid	(109,261,844)	(23,544,202)	(22,998,852)	(20,176,758)	(18,031,898)
Liability (gain)/ loss	248,219,149	(12,617,757)	(23,105,276)	(24,007,911)	(49,871,982)
Present value of obligation at end of period	670,531,072	485,944,924	465,994,150	454,942,323	443,189,705

Reconciliation of fair value of plan assets:

	Year ended 31 December 2013 MUR	Year ended 31 December 2012 MUR	Year ended 31 December 2011 MUR	Year ended 31 December 2010 MUR	Year ended 31 December 2009 MUR
Fair value of plan assets at start of period	374,967,115	355,355,118	352,496,541	323,092,281	277,172,443
Expected return on plan assets	26,259,508	35,120,475	36,692,826	33,880,775	30,362,242
Employer contributions	11,671,085	11,226,624	12,975,577	14,958,254	16,048,758
Employee contributions	4,401,379	4,243,806	4,318,570	4,768,660	–
Actuarial Reserves transferred in	–	–	–	6,745	–
Benefits paid + other outgo	(109,519,004)	(23,771,174)	(23,376,249)	(20,570,125)	(18,352,873)
Asset gain/(loss)	8,705,267	(7,207,734)	(27,752,147)	(3,640,049)	17,861,711
Fair value of plan assets at end of period	316,485,350	374,967,115	355,355,118	352,496,541	323,092,281

Note: During the financial year 2013, 97 employees retired under a Voluntary Retirement Scheme and disbursements were made from defined benefit plan as per legislation.

17. REINSURANCE PREMIUM

Having regards to its ability to muster maximum probable losses and in view of hardening crop reinsurance market, the Board decided to bear the full insurance risks.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

18. INVESTMENT INCOME

	31 December 2013 MUR	31 December 2012 MUR
Interest Income (i)	129,924,987	131,818,530
Dividends	27,350,516	29,605,472
	157,275,503	161,424,002
(i) Interest Income		
Held to maturities deposits	101,394,108	88,826,954
Cash and cash equivalent	22,519,571	26,011,542
Loans & receivables	4,862,758	16,980,034
Available-for-sale securities	1,148,550	-
	129,924,987	131,818,530

19. ADMINISTRATIVE EXPENSES

	31 December 2013 MUR	31 December 2012 MUR
Included in administrative expenses are:		
Staff costs	111,843,479	112,279,769
Provision for Employees Benefits	21,664,121	5,658,682
Depreciation	8,531,889	8,114,247
Directors fees	622,300	599,800
Auditors' remuneration	275,000	275,000

20. VOLUNTARY RETIREMENT SCHEME COMPENSATION

The expenditure has been incurred following a review of the organisation structure of the Fund by BCA Consulting and adopted by the Board in May 2013. The application of the report effectively reduced the number of staff by 97.

21. OTHER LOSSES

	31 December 2013 MUR	31 December 2012 MUR
Loss on disposal of available-for-sale financial assets	-	607,622
Loss on revaluation of investment properties	3,000,000	-
	3,000,000	607,622

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

22. BUDGET COMPARED TO ACTUAL

(i) Insurance Premium

Actual General Insurance Premium is slightly higher than budgeted due to:

1. A slightly higher weighted average sugar price for insurance purpose of Rs16,961 in comparison to the budgeted sugar price of Rs16,500.
2. A higher total insurable sugar (TIS) of 447,553 tonnes compared to a projected TIS of 435,000 tonnes at time of budgeting.

(ii) Interest Receivable

The actual interest receivable was lower than budgeted amount due to lower interest rates obtained on deposits and Treasury Bills due to a fall in repo rate and excess liquidity in the market.

(iii) Dividend Income

The lower actual dividend income compared to the budgeted dividend income is an outcome of the treatment of dividend from SICOM Ltd as an Associate under IPSAS 7 using the Equity method, partly mitigated by higher dividend received on quoted shares.

(iv) Share of profit of Associate

At time of budgeting, the investment in SICOM Ltd reported under IPSAS 29 and any change in value was recognized directly in net assets/equity.

(v) Exchange Gains

Exchange gains on translation of foreign currency deposits is based on the spot exchange rates at year end which could not be budgeted.

(v) Profit on sale of Available-for-sale securities

Due to favourable market conditions, the Fund disposed part of its portfolio of Available-for-sale securities to realise gains.

(vii) Administrative Expenses

Included in actual Administrative Expenses is provision for employee benefits (Monetary value of accumulated sick and vacation leave) of an amount of MUR 21.66M which are the combined effects of the PRB Report 2013, EOAC Report 2013 and additional increment/s given to staff upon restructuration. The effect of this provision has been partly nullified by savings on Staff costs resulting from restructuration.

(viii) Voluntary Retirement Scheme Compensation

At time of Budgeting, the Fund was in the process of appointing a Human Resource Consultant for reviewing its human resource requirement, the outcome of which was not quantified.

(ix) Other Losses

Under this item, the loss on revaluation of an Investment Property at 31 December 2013 has been reported and could not be budgeted.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

23. TAXATION

The Fund is exempt from income tax.

24. RELATED PARTY TRANSACTIONS

The Fund is making the following related party transaction disclosures in accordance with IPSAS 20, Related Party Disclosures:

	31 December 2013 MUR	31 December 2012 MUR
(a) Outstanding balances		
<i>Loans advanced to:</i>		
Key management personnel (i)	554,666	111,200
Entity under common control (ii)	–	8,000,000
	554,666	8,111,200

- (i) Loans advanced to key management personnel under condition of service.
(ii) Loans advanced to entity under common control represent loans granted to Mauritius Housing Corporation Ltd, fully repaid in December 2013.

	31 December 2013 MUR	31 December 2012 MUR
(b) Transactions with entity under common directorship		
Available-for-sale Financial Assets (i)	–	60,500,929
Short Term Loans (ii)	271,500,000	509,570,174

Transactions with entity under common directorship represent:

- (i) Investment with Standard Bank (Mtius Ltd) in “Asian Foreign Currency Basket which matured in 2013” – Acting Chairman Mr Georges Leung Shing
(ii) Loans granted to Mauritius Sugar Syndicate - Director Mr Jean Li Yuen Fong

These transactions have been effected at full arm’s length.

	31 December 2013 MUR	31 December 2012 MUR
(c) Compensation of key management personnel:		
- Short term benefits	4,206,800	3,278,380
- Post-employment benefits contribution	655,416	512,093
- Other benefits	944,811	700,699
	5,807,027	4,491,172

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2013

24. RELATED PARTY TRANSACTIONS (CONT'D)

(d) *Disclosure of control:*

The Fund in its ordinary course of business transacts with its Associate (SICOM Ltd) as follows:

(i) Provider of Insurance on Property, Plant and Equipment (PPE)
Insurance on PPE with the Associate was contracted following a tendering exercise conducted by the Fund's Insurance Broker.

(ii) Staff Pension Fund Manager
As per Statutory requirements, SICOM Ltd is the Board's Staff Pension Fund Manager.

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.

25. FINANCIAL INSTRUMENTS

25.1 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenue and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.12 to the financial statements.

25.2 Categories of financial instruments

Financial assets

	31 December 2013 MUR	31 December 2012 MUR
- Held to maturity investments	1,963,612,453	1,632,503,751
- Loans and Receivables (including cash & Cash Equivalents and excluding prepayments)	2,046,301,638	2,332,112,662
- Available for sale financial assets	1,366,877,806	1,223,890,089
	<u>5,376,791,897</u>	<u>5,188,506,502</u>

Financial liabilities

Liabilities	<u>186,115,275</u>	<u>201,785,248</u>
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

25. FINANCIAL INSTRUMENTS (CONT'D)

25.3 Financial risk management

The Fund is exposed to financial risks namely market risk (including currency risk, interest rate risk and market price risk), credit risk and liquidity risk.

(i) Price Management

The Fund's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

• *Foreign currency risk management*

The Fund undertakes certain transactions denominated in foreign currencies. Hence, the Fund is exposed to the risk that the exchange rate of the Mauritian rupee relative to the currencies listed below 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.

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

Currency profile

	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
	2013	2013	2012	2012
	MUR	MUR	MUR	MUR
<u>Currency</u>				
Mauritian Rupees	3,273,662,419	186,115,275	3,147,918,957	201,785,248
United States Dollars	1,192,023,669	–	1,005,333,399	–
Euro	881,550,863	–	1,006,100,023	–
British Pounds	29,554,946	–	29,154,123	–
	5,376,791,897	186,115,275	5,188,506,502	201,785,248

The Fund is mainly exposed to USD and Euro.

The following table details the Fund's sensitivity to a 1% increase and decrease in the Rupee against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the Rupee strengthens by 1% against the relevant currency. There would be an equal and opposite impact on profit and other equity, if the rupee weakens by 1%.

(a) USD Impact

	31 December	31 December
	2013	2012
	MUR	MUR
Profit or loss in statement of financial position	9,219,004	6,606,371
Revaluation Reserve in statement of financial position	2,701,233	3,447,963

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

25. FINANCIAL INSTRUMENTS (CONT'D)

25.3 Financial risk management (cont'd)

(b) EURO Impact

	31 December 2013 MUR	31 December 2012 MUR
Profit or loss in statement of financial position	7,697,133	9,216,398
Revaluation Reserve in statement of financial position	1,118,376	844,602

The above is mainly attributable to: (i) available-for-sale securities
(ii) short term deposits
(iii) held to maturity securities

• **Interest rate risk management**

The Fund has very low exposure to interest rate risk as none of its financial liabilities is interest bearing, all of the Fund's loans receivable and most of its fixed deposits are fixed-interest bearing. A 25 basis point change in interest rate has an effect of MUR 890,000 on the Fund's interest receivable.

The interest rate profile of the financial assets of the Fund as at 31 December 2013 was:-

Financial assets	Currency	Fixed Interest rate		Floating Interest rate	
		2013 %	2012 %	2013 %	2012 %
Bank Deposits	MUR	–	–	3.25 - 3.90	3.50 - 4.40
Loan to MHC	MUR	–	–	9.40 - 9.15	9.40 - 9.90
Loan to MSS	MUR	4.25	4.25	–	–
Fixed deposits	MUR	4.750 - 6.500	5.050 - 6.500	4.15 - 5.25	6.00 - 6.25
Fixed deposits	GBP	0.600 - 1.250	0.991 - 1.600	–	–
Fixed deposits	USD	1.238 - 2.500	1.250 - 3.100	–	–
Fixed deposits	EUR	0.919 - 2.000	0.919 - 3.100	–	–
Yields on T.Bills	MUR	2.500 - 3.700	3.220 - 4.600	–	–

• **Market Management 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

25. FINANCIAL INSTRUMENTS (CONT'D)

25.3 Financial risk management (cont'd)

The following table details the Fund's sensitivity to a 1% decrease/increase in the price of its equity investments.

	<u>2013</u> <u>MUR</u>	<u>2012</u> <u>MUR</u>
Available-for-sale securities	13,668,778	12,238,900

(ii) Credit risk management

Credit risk is the risk that a counter party will default on its contractual obligations resulting in financial loss to the fund. The Fund's credit risk is primarily attributable to its insurance receivables. However, there was no concentration of credit risk at end of reporting period since there were no outstanding insurance receivables.

(iii) Liquidity risk management

The Fund is exposed to calls on its available cash resources mainly from substantial claims arising from insurance contracts.

The ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate framework for the management of the Fund's short, medium and long-term funding and liquidity management requirements. The Fund manages liquidity risk by maintaining adequate liquidity reserves, banking facilities and highly liquid investments, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets.

The following table details the Fund's expected maturity for its financial assets. The table has been drawn up based on the undiscounted cash flow of contractual maturities of the financial assets including interest that will be earned on those assets except where the fund anticipates that the cash flow will occur in a different period.

	<u>Within</u> <u>1 month</u> <u>MUR</u>	<u>1 to 3 months</u> <u>MUR</u>	<u>3 months</u> <u>to 1 year</u> <u>MUR</u>	<u>More than</u> <u>1 year</u> <u>MUR</u>	<u>No fixed</u> <u>maturity</u> <u>MUR</u>
Held to maturity (incl. interest)	433,890,141	716,692,559	795,676,658	17,353,096	-
Available-for-sale	-	-	-	-	1,366,877,806
Loans & Receivables (excluding prepayments)	2,508,216	446,441	274,116,284	6,940,000	136,108
Cash & cash equivalents	643,771,529	1,118,383,059	-	-	-
	<u>1,080,169,886</u>	<u>1,835,522,059</u>	<u>1,069,792,942</u>	<u>24,293,096</u>	<u>1,367,013,914</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

25. FINANCIAL INSTRUMENTS (CONT'D)

25.3 Financial risk management (cont'd)

The following table details the Fund's remaining maturity for its **contractual** liabilities. The table has been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Fund can be required to pay.

	<i>Within 1 month</i> <i>MUR</i>	<i>1 to 3 months</i> <i>MUR</i>	<i>3 months to 1 year</i> <i>MUR</i>	<i>More than 1 year</i> <i>MUR</i>
Liabilities	4,533,261	5,605,332	-	-

26. MANAGEMENT OF INSURANCE RISKS

Insurance risk

The risk under any one insurance contract is the possibility of occurrence of any risk covered 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.

(ii) Concentration of insurance risks

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

27. SENSITIVITY ANALYSIS

The risks 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 of 3.816 millions

Islandwide tonnage of canes is the total tonnage of canes harvested and received at mills.

(iii) Estimated islandwide extraction rate of 10.71%

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

(iv) Estimated islandwide sugar production of 408,536 tonnes

Islandwide sugar production is the total estimated sugar produced out of the total estimated tonnage of canes milled at the estimated islandwide extraction rate.

(v) Estimated Harvestable Extent of 52,311 Hectares

Harvestable extent is the total land under cane cultivation meant for sugar production.

(vi) Estimated islandwide Total Insurable Sugar 447,553 tonnes

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

(vii) Estimated islandwide average ranking 11.5

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

The main variable which has the most material effect on insurance liabilities is islandwide Sugar Production expressed as a percentage of islandwide Total Insurable Sugar. The Directors believe that the liability for the claims carried at the year end is adequate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2013

28. 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 (gross)	Loss Ratio
2013	7,469,662*	271,200,000 **	2.8%
2012	7,731,929*	293,800,000 **	2.6%
2011	199,744,600	574,000,000 ***	34.8%
2010	19,158,000*	512,194,395 ***	3.7%
2009	195,755,311	651,131,000 ***	30.1%
2008	413,151,817	718,619,771	57.5%
2007	857,278,983	838,498,228	102.2%
2006	583,572,641	849,437,679	68.7%

* Fire Compensation only

** Based on new insurance terms.

*** Before deduction of discounts given to Insureds. (Rs 397.6 M in 2011, Rs 354.2 M in 2010 and Rs 64.46 M in 2009)

No reinsurance proceeds were receivable for crop years 2006 to 2013.

29. CONTINGENT LIABILITY

The Fund is maintaining the following disclosure in respect to contingent liability in line with IPSAS 19.

Deep River Beau Champ Ltd v/s Sugar Insurance Fund Board

No event year was declared for Crop 2010. Deep River Beau Champ (DRBC) Ltd appealed to the Supreme Court to alter the Board's decision. The matter was likely to be finalised in 2014, the Board is maintaining its view that the case has a very low probability favouring DRBC Ltd plaintiff. In the event DRBC Ltd's case goes through, the estimated liability is MUR 24 Million for that crop year, while reimbursement is expected for Crop Years 2011, 2012 and 2013 from Insureds' compensation for Crop 2010 as it would entail changes in subsequent rankings of those Insureds. Such reimbursement cannot be computed at this stage.

30. CONTROLLING PARTY

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



SUGAR INSURANCE FUND BOARD

Appendix B

Table 1 : Statement of Funds

Financial Year	Income				Expenditure				Operating Surplus/ (Deficit)	Cumulative Fund Reserves
	Gross	Other	Investments &	Total	Net	Net Reinsurance	Operating & Other	Total		
	Premium	contributions	Other Income	Income	compensation	Premium	Expenses	Expenditure		
	Note 2	Note 3	Note 4		Note 5	Note 6	Note 7			
Up to 2003/2004	11,818,142,497	2,109,608,146	2,723,398,596	16,651,149,239	11,020,422,082	2,128,327,122	1,207,213,005	14,355,962,209	2,295,187,030	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	-	244,393,634	1,093,831,313	583,572,641	83,143,754	128,419,854	795,136,249	298,695,064	2,898,967,479
2007	838,543,820	-	407,357,609	1,245,901,429	864,726,127	83,191,051	169,436,205	1,117,353,383	128,548,046	3,027,515,525
2008	717,886,029	-	369,475,477	1,087,361,506	411,675,744	61,745,852	128,694,493	602,116,089	485,245,417	3,512,760,942
2009	651,131,000	6,119,201	252,833,741	910,083,942	196,582,562	53,810,602	210,954,003	461,347,167	448,736,775	3,961,497,717
2010	512,194,395	-	231,699,399	743,893,794	19,158,000	39,077,537	530,339,521	588,575,058	155,318,736	4,116,816,453
2011	574,000,000	-	197,394,861	771,394,861	199,917,308	38,197,390	591,209,638	829,324,336	(57,929,475)	4,058,886,978
2012 (restated)	293,800,000	-	993,933,302	1,287,733,302	7,731,929	-	140,573,741	148,305,670	1,139,427,632	5,198,314,610
2013	271,520,300	-	296,510,207	568,030,507	7,469,662	-	295,643,393	303,113,055	264,917,452	5,463,232,062
TOTAL	17,422,667,793	2,115,727,347	5,894,890,254	25,433,285,394	13,886,974,077	2,578,619,861	3,504,459,394	19,970,053,332	5,463,232,062	

Notes

- 1 Figures for financial years 2003/2004 , 2004/2005 and 2007 have been restated on application of new IFRS
- 2 Gross Premium includes Total General and Fire Premium receivable from all insureds.
- 3 Other contributions include receipts from Price Stabilisation Fund, cyclone and Drought Reserve Fund, Special levy, Recoveries from Reinsurers and other transfers from reserves.
- 4 Other income includes all other items not classified under Note 2 and 3 and also includes items posted directly to reserves.
- 5 Net compensation includes amounts payable during the financial year/period, net of adjustments.
- 6 Reinsurance premium is based on amounts payable during the financial year/period, net of adjustments.
- 7 Operating & Other expenses include all other items not classified under Note 5 and 6

TABLE II: Reinsurance

Financial Year	Reinsurance Premium Rs.	Reinsurance Compensation Rs.
Up to 2002/2003	2,014,396,638	1,746,907,836
2003/2004	273,734,284	-
2004/2005	114,970,722	-
2005/2006	98,956,256	-
2007	83,191,051	-
2008	61,745,852	-
2009	53,810,602	6,119,201.00
2010	39,077,537	-
2011	38,197,390	-
2012	-	-
2013	-	-

Note:

(i) Figures for financial year 2004/2005 have been restated on the application of IFRS in financial year 2005/2006

(ii) The Fund did not subscribe to re-insurance for crop 2012 and 2013

Table III: Fire Statistics (Inter-Crop 2013)

Sector	Cases Compensated (Number)	Effective Area Burnt (Hectares) (1)	Total Area Harvested (Hectares) (2)	Area Burnt as % of Total Area Harvested (1)/(2)
North	72	38.177	11,634	0.33%
East	27	54.025	15,125	0.36%
South	30	47.789	16,300	0.29%
West & Centre	19	9.955	9,253	0.11%
ISLAND	148	149.946	52,312	0.29%

Table IV: Sugar Price for Insurance

Crop	Planters	Millers	Weighted
Year	(Rupees)		
2003	15,316	15,200	15,290
2004	16,094	15,900	16,051
2005	17,392	17,050	17,317
2006	17,120	16,700	17,028
2007	18,206	17,900	18,139
2008	16,444	16,000	16,346
2009	15,627	15,000	15,489
2010	13,409	12,700	13,253
2011	16,013	15,300	15,856
2012	17,133	16,500	16,994
2013	17,091	16,500	16,961

Table V: Events (1957 - 2013)

Events	1957	1960	1970	1980	1990	2000	2010	Total
	to 1959	to 1969	to 1979	to 1989	to 1999	to 2009	to 2013	
C	1	4	2	1	1	--	--	9
C & D	--	2	2	--	2	--	--	6
C, D & E	--	--	1	--	--	4	--	5
C & E	--	--	--	2	--	--	--	2
D	2	4	2	4	5	1	1	19
D & E	--	--	2	2	2	4	--	10
E	--	--	1	1	--	1	--	3

Table VI: Events Declared by Factory Area, 2004 – 2013

Factory Area	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
NORTH										
Belle Vue	---	D&E	D&E	C&D&E	D&E	D&E	---	D	---	---
Beau Plan	---	D&E	D&E	C&D&E	D&E	D&E	---	D	---	---
Mon Loisir	---	D&E	D&E	C&D&E	D&E	D&E	---	D	---	---
EAST										
Beau Champ	E	E	C&D&E	C&D&E	E	D&E	---	D	---	---
Constance	E	E	C&D&E	C&D&E	E	D&E	---	D	---	---
FUEL	E	E	C&D&E	C&D&E	E	D&E	---	D	---	---
SOUTH										
Britannia	E	E	C&D&E	C&D&E	E	E	---	D	---	---
Mon Tresor	E	E	C&D&E	C&D&E	E	E	---	D	---	---
Riche en Eau	E	E	C&D&E	C&D&E	E	E	---	D	---	---
Rose Belle	E	E	C&D&E	C&D&E	E	E	---	D	---	---
Savannah	E	E	C&D&E	C&D&E	E	E	---	D	---	---
St Felix	E	E	C&D&E	C&D&E	E	E	---	D	---	---
Union St. Aubin	E	E	C&D&E	C&D&E	E	E	---	D	---	---
WEST & CENTRE										
Medine	---	D&E	D&E	C&D&E	D&E	D&E	---	D	---	---
Mon Desert Alma	E	E	C&D&E	C&D&E	E	D&E	---	D	---	---
Highlands	E	E	C&D&E	C&D&E	E	D&E	---	D	---	---
Reufac	E	E	C&D&E	C&D&E	E	D&E	---	D	---	---

C : Cyclone

D : Drought

E : Excessive Rainfall

Table VII: Credit Co-operative Societies, Crop 2013

SECTOR	Planters	Area	Sugar	Insurable	General	Fire	General
	(Number)	Harvested (Hectares)	Produced (Tonnes)	Sugar	Premium	Premium	Compensation
North	1,841	1,185	6,460	7,875	5,549,824	98,437	-
East	2,826	2,063	10,735	13,081	8,764,214	163,550	-
South	2,266	1,473	8,097	8,886	6,040,288	111,073	-
West & Centre	796	626	2,888	3,536	2,464,482	44,207	-
ISLAND	7,729	5,347	28,179	33,378	22,818,808	417,267	-

Table VIII: Millers, Crop 2013

SECTOR	Millers	Sugar	Insurable	General	Fire	General
	(Number)	Produced (Tonnes)	Sugar	Premium	Premium	Compensation
North	1	18,921	22,271	14,147,393	278,382	-
East	2	32,160	35,505	20,938,950	443,816	-
South	1	29,229	30,688	16,810,806	383,598	-
West & Centre	1	9,171	10,152	5,896,434	126,903	-
ISLAND	5	89,481	98,616	57,793,583	1,232,699	-

Table IX: Analysis by Ranking, Crop 2013

Ranking	Insureds	Area Harvested	Canes Milled	Insurable Sugar	Sugar Produced	Shortfall	General Premium	Fire Premium	General Compensation
	(Number)	(Hectares)	(Tonnes)			(Rupees)			
5.0- 5.4	396	303	21,665	1,703	1,781	-	1,223,766	20,368	-
5.5- 5.9	4,409	3,396	188,503	19,667	15,875	-	14,606,640	245,868	-
6.0- 6.4	1,097	1,275	73,068	7,321	6,196	-	5,355,905	91,523	-
6.5- 6.9	1,191	1,220	75,832	7,263	6,414	-	5,247,906	90,782	-
7.0- 7.4	1,346	2,102	137,684	12,611	11,712	-	9,005,601	157,639	-
7.5- 7.9	1,307	1,363	94,701	8,999	7,947	-	6,345,187	112,490	-
8.0- 8.4	1,232	2,162	139,621	13,215	11,449	-	9,123,380	163,595	-
8.5- 8.9	1,169	3,995	273,217	26,386	23,550	-	18,185,745	329,846	-
9.0- 9.4	715	1,176	80,070	20,974	19,188	-	13,967,642	261,975	-
9.5- 9.9	619	731	48,854	4,702	4,100	-	3,130,971	58,782	-
10.0-10.4	518	3,880	308,387	48,219	44,389	-	31,049,446	602,739	-
10.5-10.9	510	450	30,535	3,021	2,564	-	1,934,834	37,770	-
11.0-11.4	370	3,770	271,812	24,761	23,086	-	15,492,202	309,507	-
11.5-11.9	314	5,263	380,029	47,011	41,381	-	28,206,103	587,651	-
12.0-12.4	293	332	21,619	2,204	1,814	-	1,246,487	26,317	-
12.5-12.9	240	602	50,163	57,064	52,868	-	31,383,684	713,291	-
13.0-13.4	166	1,007	67,285	6,067	5,431	-	3,327,283	75,834	-
13.5-13.9	131	2,606	220,389	18,377	18,082	-	9,933,481	229,710	-
14.0-14.4	105	5,859	455,638	39,997	37,769	-	20,138,443	499,970	-
14.5-15.0	405	10,820	876,708	77,988	72,940	-	36,828,599	974,845	-
ISLAND	16,533	52,312	3,815,782	447,550	408,536	-	265,733,305	5,590,502	-

Table X: Area Harvested & Cane Weight, Crop 2013

SECTOR		Up to	0.5 to	1 to	2 to	5 to	10 to	100 H and	TOTAL
		0.49 H	0.99 H	1.99 H	4.99 H	9.99 H	99.99 H	above	
NORTH	Area Harvested (Hectares)	557	572	694	636	196	274	8,705	11,634
	Cane Weight (Tonnes)	36,429	36,317	46,219	40,820	12,215	16,306	611,865	800,171
EAST	Area Harvested (Hectares)	747	948	1,046	1,202	534	466	10,184	15,125
	Cane Weight (Tonnes)	47,110	56,206	63,710	73,842	32,040	28,902	770,239	1,072,049
SOUTH	Area Harvested (Hectares)	717	898	788	880	574	865	11,577	16,300
	Cane Weight (Tonnes)	46,777	55,732	51,143	60,476	39,188	56,633	942,541	1,252,489
WEST & CENTRE	Area Harvested (Hectares)	245	601	430	397	310	582	6,687	9,253
	Cane Weight (Tonnes)	14,262	34,088	25,416	24,122	20,660	41,127	531,399	691,074
ISLAND	Area Harvested (Hectares)	2,266	3,019	2,958	3,116	1,613	2,187	37,153	52,312
	Cane Weight (Tonnes)	144,578	182,342	186,487	199,260	104,104	142,967	2,856,044	3,815,782

Table XI: Number of Insureds, Sugar Produced & Insurable Sugar, Crop 2013

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	Miller	TOTAL
North	Number of Insureds	2,314	805	505	214	29	15	9	1	3,892
	Sugar Produced (Tonnes)	3,142	3,147	3,990	3,526	1,064	1,460	52,187	18,921	87,438
	Insurable Sugar (Tonnes)	3,750	3,739	4,690	4,242	1,322	1,790	58,680	22,271	100,483
East	Number of Insureds	2,958	1,316	751	411	76	27	3	2	5,544
	Sugar Produced (Tonnes)	3,949	4,669	5,313	6,157	2,670	2,465	64,299	32,160	121,682
	Insurable Sugar (Tonnes)	4,781	5,787	6,404	7,417	3,224	2,957	68,013	35,505	134,087
South	Number of Insureds	2,624	1,240	567	299	81	20	16	1	4,848
	Sugar Produced (Tonnes)	3,938	4,645	4,289	5,061	3,284	4,585	77,516	29,229	132,547
	Insurable Sugar (Tonnes)	4,457	5,258	4,786	5,381	3,401	5,038	80,482	30,688	139,491
West & Centre	Number of Insureds	938	783	323	135	43	21	5	1	2,249
	Sugar Produced (Tonnes)	1,164	2,704	2,059	1,985	1,758	3,416	44,611	9,171	66,869
	Insurable Sugar (Tonnes)	1,349	3,111	2,389	2,241	2,119	4,025	48,104	10,152	73,490
ISLAND	Number of Insureds	8,834	4,144	2,146	1,059	229	83	33	5	16,533
	Sugar Produced (Tonnes)	12,193	15,165	15,651	16,729	8,777	11,926	238,613	89,481	408,536
	Insurable Sugar (Tonnes)	14,337	17,895	18,268	19,282	10,065	13,809	255,279	98,616	447,550

Table XII: General Premium, General Compensation & Shortfall, Crop 2013

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	Miller	Total
North	General Premium (Rs)	2,661,970	2,647,638	3,318,764	2,981,697	901,563	1,203,345	36,720,551	14,147,393	64,582,921
	General Compensation (Rs)	-	-	-	-	-	-	-	-	-
	Shortfall (Tonnes)	-	-	-	-	-	-	-	-	-
East	General Premium (Rs)	3,263,125	3,968,062	4,335,898	5,037,597	2,237,153	1,907,579	39,823,334	20,938,950	81,511,698
	General Compensation (Rs)	-	-	-	-	-	-	-	-	-
	Shortfall (Tonnes)	-	-	-	-	-	-	-	-	-
South	General Premium (Rs)	3,029,394	3,610,324	3,239,952	3,660,300	2,209,416	2,893,423	43,241,021	16,810,806	78,694,636
	General Compensation (Rs)	-	-	-	-	-	-	-	-	-
	Shortfall (Tonnes)	-	-	-	-	-	-	-	-	-
West & Centre	General Premium (Rs)	948,100	2,202,063	1,680,652	1,574,206	1,506,548	2,752,501	24,383,546	5,896,434	40,944,050
	General Compensation (Rs)	-	-	-	-	-	-	-	-	-
	Shortfall (Tonnes)	-	-	-	-	-	-	-	-	-
Island	General Premium (Rs)	9,902,589	12,428,087	12,575,266	13,253,800	6,854,680	8,756,848	144,168,452	57,793,583	265,733,305
	General Compensation (Rs)	-	-	-	-	-	-	-	-	-
	Shortfall (Tonnes)	-	-	-	-	-	-	-	-	-

Table XIII: Past Years Data (2003 - 2013)

Crop Year	Planters (Number)	Area Harvested (Hectares)	Canes	Sugar	Insurable	Shortfall	General	General	Crop	Events
			Milled	Produced	Sugar	Premium	Compensation	Reduction		
			(Tonnes)				(Rupees Thousands)		%	
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
2006	25,693	65,243	4,695,173	506,576	608,730	56,736	843,454	581,800	17%	D; E; C: Diwa
2007	24,342	63,188	4,236,793	438,068	567,003	77,774	830,595	848,782	23%	D; E; C: Gamede
2008	22,747	60,381	4,533,384	455,374	540,382	40,718	711,852	406,633	16%	D & E
2009	21,498	59,108	4,666,949	470,895	523,354	18,919	644,223	178,644	10%	D & E
2010	20,311	57,670	4,365,794	457,131	493,306	-	505,976	-	7%	---
2011	18,816	55,777	4,230,173	439,406	481,003	19,102	567,738	191,283	9%	D
2012	17,546	53,428	3,947,285	412,876	462,114	-	288,595	-	11%	---
2013	16,533	52,312	3,815,782	408,536	447,550	-	265,733	-	9%	---

Staff Matters

1. Staff List as at 31 December 2013

Head Office

Roopnarain Ballgobin, Sarowsati D Basant Rai, Rajshree D Boodhoo, Subhashini D Boodhoo, Vijaya Bundhoo, Usha D Bundhun, Sasan Buton, Shashikala D Chamroo, Johnny S S Chong Chap Sin, Rajcoomaree Dabee, Kavita Damry, Kavita Doollub, Gaoutam Gooroochurn, Dayen Gujadhur (*retired on 03.01.2014*), Madhvee Gunesh, Basmattee Guness, Titrunjansing Gunesssing, Amrita M Huree, Rameshwari Jagun, Devina M Jankee, Vijay K Jeewoath, Seevananda Kathapermal, Yantee D Khemraz, Nundkishore Kissensing, Kaliani Koolash, Sheela D Koonja, Ram Kunniyah, Umadevi Kurreeman, Ranita H J R S Mahadeo, Naraindre Motee, Jimmy Y K Newk-Fon Hey Tow, Mohammad Ameen I Noormahomed, Krishna J Pareemanun, Cheryl M V Payet, Yashin M Peermamode, Devendra K Purmessur, Diness Purryag, Sarojun Ragen-Beeharry, Sarojni Ramanna, Vidia Ramaswami, Roshila Devi Ramdoyal, Lakshika D Ramkissoon, Chandnee Ramlall, Prathiba Ramlochund, Pritee Ramnochane, Devika Ramrecha, Rajwantee D Ramrichia, Hemwantee Ramsokul, Asraf A Sahajasein, Sanassee Sanassee, Shashimala Seeboo, Arveen Seewooram, Shashimala Servansingh, Roshni Sonahee, Surekha N D Soobrayen, Jayendra Sookdeb, Rajkarrun Sookun, Phoolmani Sooruyah, Nandinee Sreemantoo, Rita Surjoo, Rajkumari Tauckoor.

Bon Accueil

Rajendra K Baboolall, Gowtam Bulato, Satyanand Hulkua, Premduth Jugnarain, Ramcharan Maywah, Rakesh Naiko, Ramesh Rambhojoo, Raz Siburuth

Mare D' Albert

Gooroodeo Bansy, Veeraj Coondiah, Jaideo Mokoonlall, Dharmanand Nathoo (*up to 01.09.2013*), Sanjeet Nistar, Narainsamy Pydiah, Sooriedeo Ramdowar, Asutosh S Ramsahye, Ignace Sandean, Kissorlall Seechurn, Romeswar Seegolum, Pravin Sooklaul, Lutchmeenarain Sunassee

Pamplemousses

Moossa Aiahsaib, Rajnish Bhuckory, Beepraj Bohorun, Sanjeev K Callycham, Nundeo Chacoory, Darshan Dookhy, Vivendra Goorah, Harrish Khoodeeram, Issoop Leddha, Sooriadeho Punchu, Bhojuswar Ramkissoon, Soopramanien Ramsamy, Yahsin Sheik Fareed, Krist Sooben, Satiavrat Sookaloo, Khelawon Teeluck

Quartier Militaire

Brown Appadoo, Rishikumar Arsadi, Rajcoomar Bhoondah, Doorwanand Bissessur, Nandarajen Coolanaden, Ishwardeo Golam, Vishal Kadoo, Amal D Mohabeer, Shanmoogum Mookien, Soodesh Multra, Shiam Narsimulu, Sakuntala Ramhit, Deepak Ramtohal, Soodesh Sohabul, Danilall Sookun, Jayduth Teeluck

Souillac

Atchanah Appiah, Dharma Rajen Beelato, Beerjanand Bhunjun, Lutchmee Persad Ghoora, Sookram Goberdhan, Rishi K Greedharee, Dinanath Jayepokash, Sudess Luchman, Sarvam Nuckcheda, Oomraj Nundun, Ravi Sham, Amritlall Toory

Vacoas

Manoj K Beedasy, Reshad Bhaukaurally, Bramdath Bhoobul, Parthiben P Coopamah, Devadasen Curpen, Shivraneer Jhurkut, Chatterjee Nathoo, Kaylass Ramsokul, Ishwar S Seewoonauth, Amarnath Sookun, Sanjaye Tackopersadh

2. Retirements in year 2013

- i. Mr Sookraj Bissessur, Senior Field Officer retired on 2 May 2013 on ground of age.
- ii. The following officers retired on a voluntary retirement scheme on 1 August 2013:
Rajnan Baldeo, Kesswar Balgobin, Sadaseeven Anadachee, Anand Appa, Sadasiven Arnasalon, Lucette M D Athion, Aniffa B Aumeerally, Yogeshwar Bachasingh, Subash L Bamma, Anandpersad Beeharry, Rengasamy Beemadoo, Shilamaneer Belut, Raouf Bhaukaurally, Koomar Bhunjun, Shantaram Bhurtun, Rajcoomarsing Bijlall, Tikaram Boodhoo, Jagdice Buchoo, Annoopamshyam S Buljeeon, Dhaneeswar Bumma, Rajen Bundhun, Clovis L J Charlot-Colomes, Veenah D M D Chinappen, Bohwaneswar Chitamun, Omduth Choolun, Fritz J L Chowrimootoo, Appanah S Cuniah, Vijayatma Daby, Shaheed Dargaye, Maha Devi Dewan, Mahendranath Dewkurrin, Sumangal Dewoo, Amarsing Dinajsingh, Deorajunth Gansam, Chandarman Ghumondee, Toolsee Groodoyal, Nazirkhan Hossen, Yemraj Jamansing, Saffick Janoo, Suresh Jatoonah, Ravind Jeewooth, Sonalall Jhurree, Vishnuduth Jooron, Mohundranath Jumnah, Tayeb M Kaderbathia, Satyanand Kanhye, Chutterghoon Khettoo, Randhir Kissensing, Shyamduth Luttoo, Dawandranath Maghun, Bhimsen Mangra, Ibrahim Mathurah, Sada Mooneesawmy, Ramjeet Moorut, Harrish Mungur, Hunsraj Mungur, Rafick M Nunnoo, Moonosawmy Paniken, Sabita Pattoo, Noorani M Peerun, Deven Perianen, Goraj Peryagh, Arvin Poreema, Narainsamy Pothen, Kanta Purryag, Mirabai S Ragudu, Devanand Rajoo, Rajwantee Rambojun, Ishwarduth Ramchurn, Brijesh B Ramdewor, Doorgacharrun Singh Ramiad, Ootamduth Ramkeesoon, Dewjit Ramsahye, Benymadho Roopun, Mohamedally Rosun, Brijanand Runglollsing, Florence Seblin, Asokumardass Seebaluck, Pardoomandass Seebaluck, Ranjeet Seebun, Ramchundar Seekunto, Anthony Seenevassenpillay, Krishnanund Sheoraj, Christian Soobroydoo, Hassen Soodhoo Devkumarsing Sreepaul, Rajandra R Surjoo, Soopayah Veeren.
- iii. Mr Rajeshwur Mohajeer retired on a voluntary retirement scheme on 8 August 2013.
- iv. The following officers retired on a voluntary retirement scheme on 1 September 2013:
Deodass Emerith, Jayshree Gangaram, Vatanlall Gangoo, Surendranath Gopal, Rohit Jahajeeah, Saoud M Nunhuck, Jose M Soobrayen



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