



SUGAR INSURANCE FUND BOARD

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ANNUAL REPORT 2015

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Chairperson's Letter

The Hon Pravind Kumar Jugnauth
Minister of Finance and Economic Development
Ministry of finance and Economic Development
Ground Floor, Government House
Port Louis

The Hon. Minister of Finance & Economic Development,

In accordance with Section 9 (10 and (2), the Board of the Sugar Insurance Fund is pleased to present its Annual Report including the audited Financial Statements for the year ended 2015 to be laid before the National Assembly.

The Annual Report was approved by the SIFB on 17 March 2016 and subsequently amended further to report from the Director of Audit. The amended Annual Report was approved on 14 September 2016.

Yours faithfully



Chairperson

Sugar Insurance Fund Board

Date: 5 December 2016

Brief History of SIFB

Sugarcane was introduced in Mauritius four centuries ago. Through its considerable resistance and resilience to very adverse climatic conditions like drought and, in particular, intense tropical cyclones, it has proved beyond doubt its capacity to be sustainably cultivated on a long-term commercial basis and to play a multifunctional role. The sugar industry in Mauritius has constantly been faced with challenges and it has always stood up to convert these challenges into opportunities to ensure sustainable productions of sugarcane and derived products.

The possibility of insuring sugar cane crops against cyclone damages had already been envisaged in 1907. The Director of the Royal Alfred Observatory, Mr A. Walter, with the support of the Government has prepared an insurance plan based on meteorological data. In spite of the interest shown in the project by the planting community and by insurance companies, the Walter Plan was never implemented. The second attempt took place in 1943 when W.R. Owens, Manager of the Mauritius Agricultural Bank, submitted another plan based on that of A. Walter to the Chamber of Agriculture, in spite of keenness shown in the idea itself, the planters did not welcome the Owens Plan.

In 1945, after having suffered considerable losses due to cyclones, the planting community of the island asked for assistance from the British Government. Aid was granted on condition that the Mauritian Government would set up a crop insurance scheme in order to safeguard against any future disaster to agriculture. And thus was set up the Cyclone and Drought Insurance Board of Mauritius under ordinance No 53 of 1946. Subsequently in 1974 a Fire Insurance Scheme was incorporated with existing schemes for cyclones, droughts and excessive rainfall and the organisation was restyled the Sugar Insurance Fund Board.

Sugar insurance became compulsory, covering all cane planters and millers. The SIFB could refuse to pay compensation for cane fields deliberately neglected or abandoned. Officials of the SIFB were entitled to enter and inspect all cane fields accordingly. There was an obligation for all cane growers and millers to provide relevant information to the SIFB.

CROP 2015

2.1 Crop highlights

- 2.1.1 The 2015 Crop has again experienced suboptimal conditions, given the continuous fall in sugar prices pursuant to 5 consecutive years of global market surplus and weather conditions not conducive to sucrose accumulation. The sugar price for insurance purposes was Rs 13,735 per metric tonne for growing side (inclusive of the added value of molasses) and Rs 13,000 for the milling side. The amount of sugar produced “*tel quel*” is 366,070 tonnes compare to 400,173 tonnes manufactured in 2014. Average sucrose in cane for 2015 is 10.73 compared to 11.54 in 2014. The island average extraction rate stood at 8.18% in June 2015 to reached 9.14% as at 07 February 2016, compared to 9.91% for crop 2014.
- 2.1.2 Taking into consideration the above challenges along with drastic fall in producers’ revenue from the fall in sugar prices in the world market, and upon the advice of the Consulting Actuaries and in line with Government decision’s, the SIF Act was amended to provide for the payment of a special financial assistance for Crop 2014 to all insureds, as follows:
- 1) Rs 3,400 per ton of Sugar Accruing or part thereof in respect of Crop 2014 for insureds having a sugar accruing not exceeding 60 T;
 - 2) Rs 3,400 per ton of Sugar Accruing or part thereof in respect of Crop 2014 for a larger growing unit whose insureds immediately before the regrouping each had a total sugar accrued not exceeding 60 T;
 - 3) Rs 2,000 per ton of Sugar Accruing or part thereof in respect of Crop 2014 to all categories of insureds other than (1) and (2) above .

The SIFB disbursed approximately Rs 900 M as payment of this special financial assistance.

- 2.1.3 For Crop 2015, the Consulting Actuary recommended the payment of a one-off financial assistance equivalent to the difference between the sugar price for that crop year and the benchmark 2013 ex-Syndicate sugar price, limited to Rs2,000 per tonne of sugar accrued, subject to the following conditions being met:
- (1) The market value of the SIFB’s assets does not decline by a proportion of 10% or more due to market movements/conditions; and
 - (2)(a) The full special assistance is payable to an insured if compensation paid during 2014 did not exceed the special assistance due to that insured, and no compensation is payable to that insured in respect of Crop 2015;
 - (b) Alternatively, the Crop 2015 special assistance is reduced by both the excess of Crop 2014 compensation over the Crop 2014 special assistance and the amount of 2015 compensation paid to a particular insured.

The conditions spelt out above being satisfied, the SIFB has earmarked an amount of Rs 413.7 million as one-off financial assistance to be paid in favour of eligible insureds once the relevant amendment to the Act would have been enacted during the second semester of 2016.

- 2.1.5 Furthermore, in the 2014 Actuarial Review report, the Consulting Actuary recommended premium waiver for each of Crop 2014 and Crop 2015 subject to conditions being met for each crop year respectively. The recommendation for premium waiver has been approved for Crop 2014. The general insurance premium thus waived for Crop 2014 amounted to Rs 185.23M.
- 2.1.6 The conditions for premium waiver recommended by the Consulting Actuary in respect of Crop 2015 have been met and approved by the Board and Government to all categories of insureds. The total general insurance premium waiver for Crop 2015 will amount to some Rs 200.6 million.

2.2 *Registration of factories and plantations*

- 2.2.1 Crop 2015 registration started on 1 May 2015 to end on 30 May 2015. Since the implementation of 5-year staggered registration as from Crop 2012, planters with registration validity of 3 years turned up for renewal of their registration cards for the next 5 years. The practice remains unchanged for large planters (holding 10 hectares or more of land under cane cultivation) and sugar estates with the yearly renewal of registration of their plantations.
- 2.2.2 On the other hand, 13,204 small planters holding valid registration cards for 4 to 5 years were sent a “Declaration to Board – No Change in Registration Data” form so that planters can confirm to the SIFB that there has been no change in the information they had declared at time of their last registration. 5,220 forms were returned (40%).
- 2.2.3 A total of 5,592 accounts of planters were registered for the crop year, inclusive of late registrations and re-registrations for changes in basic data.
- 2.2.4 With the centralization of milling activities, 4 milling factories were in operation for Crop 2015, namely
1. TERRA Milling Co. Ltd in the North sector;
 2. ALTEO Milling Co. Ltd in the East sector;
 3. MEDINE Ltd in the West sector; and
 4. OMNICANE Ltd in the South Sector.

2.2.5 *Number of planters accounts 2005 -2015*

The total number of accounts of planters having a cane consignment for Crop 2015 was 14,571 compared to 14,921 accounts for Crop 2014. The trend in the number of insureds (planters/ métayers and millers) having a sugar accruing since 2005 is depicted at Figure 1.

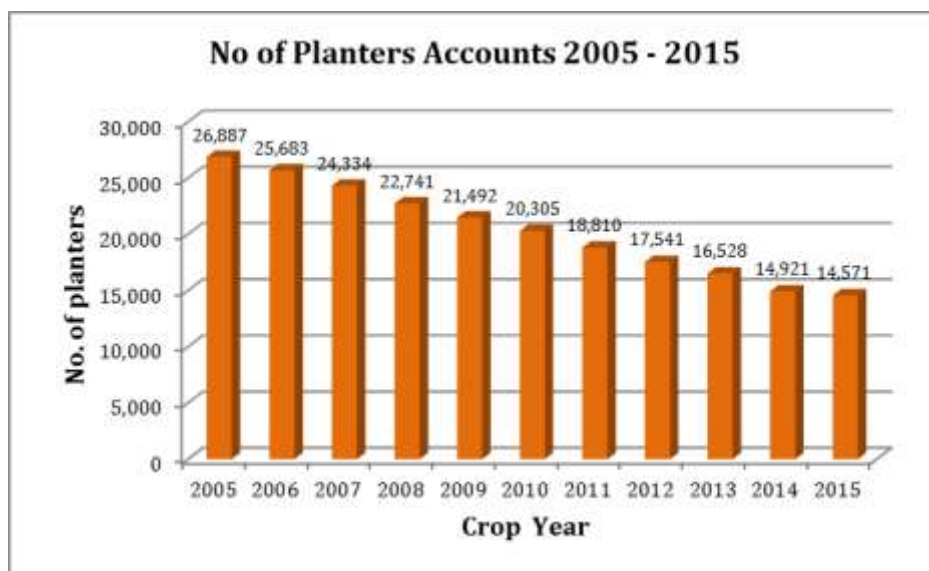


Figure 1a

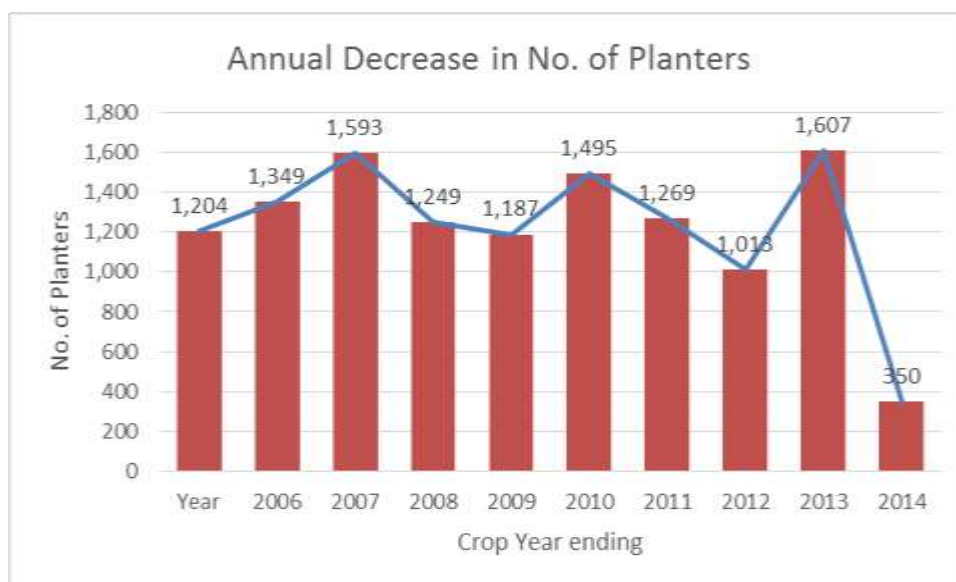


Figure 1b

2.3 Crop harvest and milling operations

- 2.3.1 Milling of canes started at Alteo on 25 May 2015 and ended at Medine on 12 February 2016. The extension of harvest beyond December 2015 at Medine was mainly due to the delay in the start of crop at Medine following the construction of a new power generator and frequent breakdowns / trouble shooting of the power plant throughout the milling period. Some 128 Ha representing 12,290 tonnes of canes were reported as carry over for 2016 crop harvest.

2.3.2 The total area under cane for Crop 2015 was 57,424 and the extent harvested for milling purposes stood at 51,694 Ha compared to 58,305 Ha and 49,791 Ha respectively, for Crop 2014. This rise in harvest extent is the result of the 1,424 Ha of Crop 2014 unharvested canes that were carried over for harvest during this crop.

2.3.3 Trend in Extent Under Cane 2005 - 2015

The evolution of area under Cane from Crop 2005 to 2015 is shown in Figure 2a and 2b below:

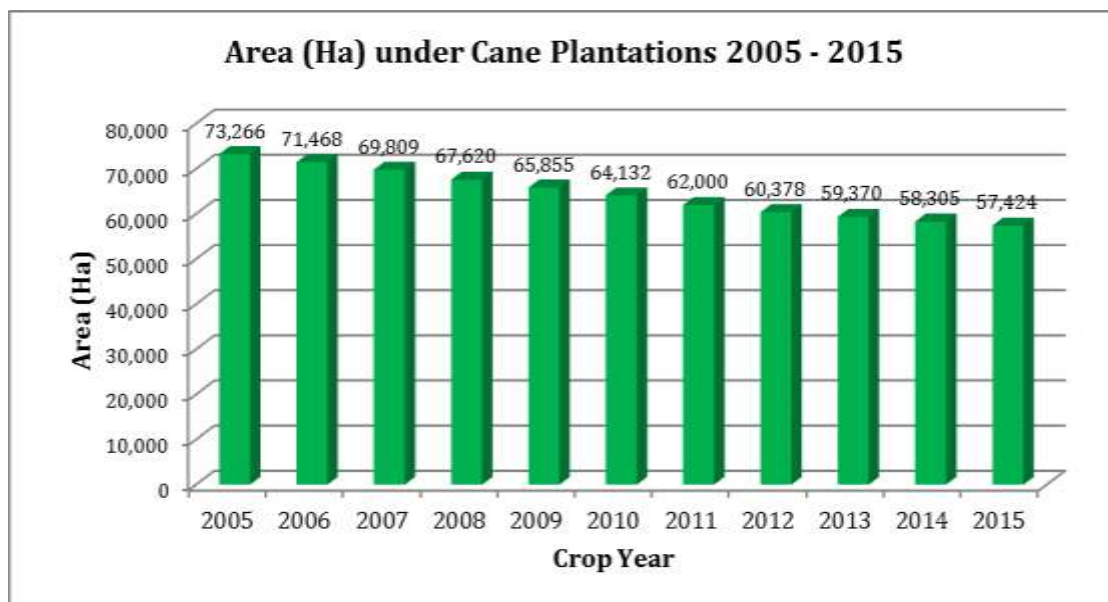


Figure 2a

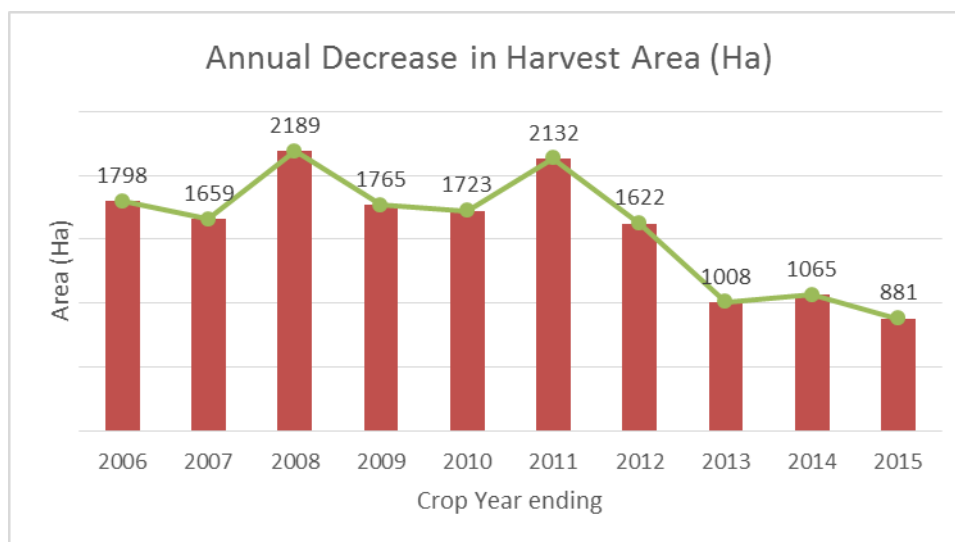


Figure 2b

2.3.4 Harvest Extent and Cane Yield

- (1) Inclusive of 1,424 hectares of unharvested canes carried over from last crop harvest, the total area harvested for Crop 2015 is 51,694 hectares for planters who supplied canes for milling with the total tonnage of canes harvested 4,009,233 tonnes being island-wide.

1 shows the harvest extent, cane weight and cane yield for each enlarged factory area.

Table 1 – Harvest Extent and Cane Yield

Enlarged Factory Area	Harvest Extent (Ha)	Cane Weight (T)	Cane Yield [T/Ha]
TERRA	11,494	888,253	77.28
ALTEO	19,845	1,482,785	74.72
OMNICANE	15,883	1,214,789	76.48
MÈDINE	4,472	423,406	94.68
TOTAL	51,694	4,009,233	77.56

- (2) The highest harvest extent is seen in ALTEO enlarged factory area with 19,845 hectares under cane harvested for milling whilst MÈDINE factory area had the lowest (4,472 Ha). The highest cane yield per hectare recorded at enlarged factory level is 94.68 T/Ha for MÈDINE, whilst ALTEO had the lowest cane yield of 74.72 T/Ha.

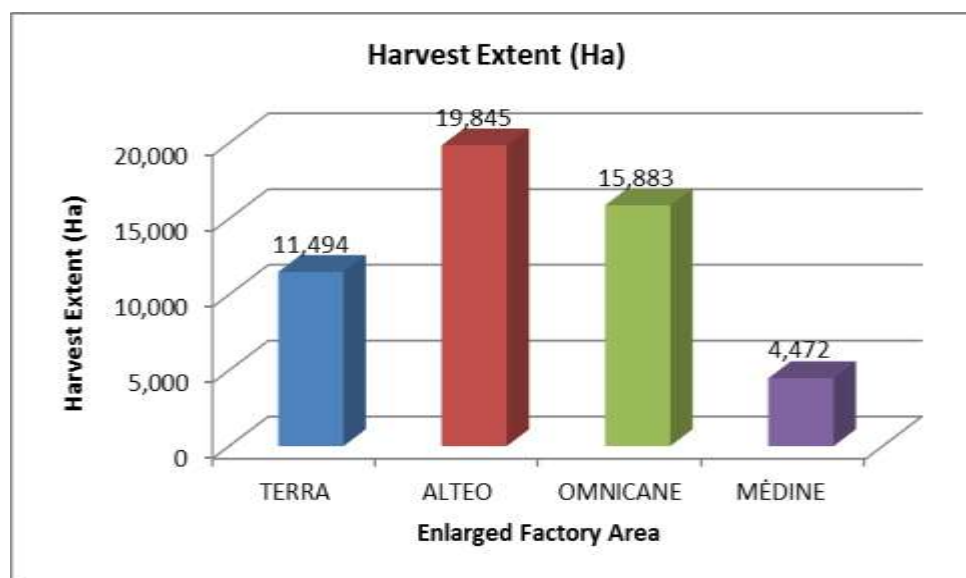


Figure 3

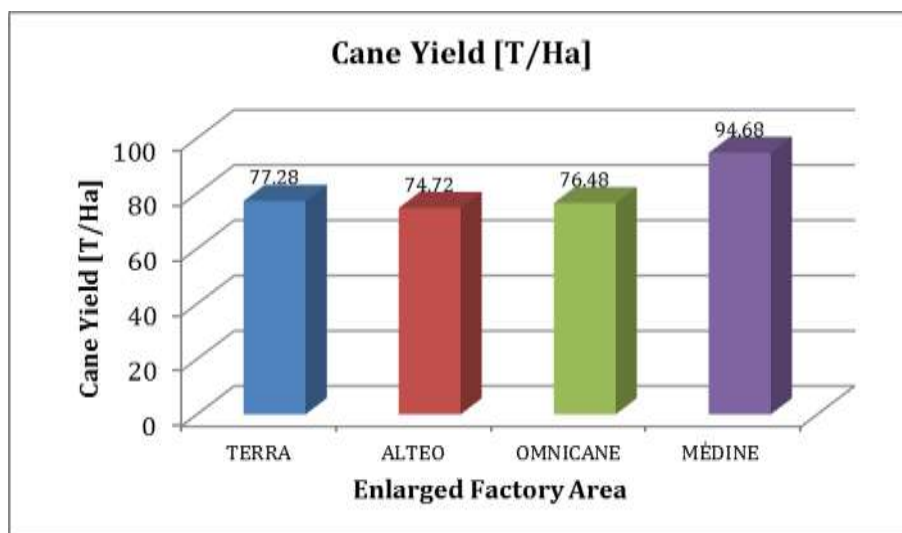


Figure 4

2.3.5 As at 12 February 2016, the four sugar factories, at their platform, received 4,009,232 tonnes of canes while 4,004,301 tonnes were milled, the difference of 4,931 tonnes being cane loss in transit (see Table 2). As at same period, 20,916 tonnes of Medine platform canes have been milled at Terra, Alteo and Omnicane while 75,499 tonnes of cane from Alteo have been milled at Terra and Omnicane.

Table 2 – Summary of Crop as at 12 February 2016

Factory	Cane Received (Tonnes)	Platform Canes (Tonnes)	Net Canes Received (Tonnes)	Loss in Transit (Tonnes)	Cane Crushed (Tonnes)	Sugar Produced (Tonnes)
Terra	953,331		953,331	1,027	952,304	91,878
Alteo	1,454,336	75,499	1,378,837	1,538	1,377,299	121,755
Medine	415,276	20,916	394,360	22	394,338	36,571
Omnicane	1,282,704		1,282,704	2,344	1,280,360	115,866
Total	4,105,647	96,415	4,009,232	4,931	4,004,301	366,070

2.4 Climatic Conditions

2.4.1 The vegetative and ripening periods of the 2015 crop were generally characterized by excessive rainfall in all sectors, more particularly in the East and Centre Sectors. Although cane growth has been favoured by abundant rainfall between January and March, it was stifled by drier weather conditions in the following months and a heavy downpour in May.

2.4.2 Climate during the Growth Phase

During crop 2015, rainfall cumulated over the growth period ranging from October to April was above the long term mean (LTM) and also to the corresponding period in the past three crop years in all five sectors and the island. The distribution in rainfall was such that in all sectors excessive rainfall occurred during the months of December, January and March with slightly below normal rainfall in the other months. As a result, stalk elongation suffered a slow development coupled with late end of 2014 harvest. Thus total stalk height recorded at the end of June 2015 at island level was only around 5% below that of last year and the normal.

2.4.3 Climate during the Ripening Phase

During crop 2015, the whole months of the ripening phase had above normal rainfall except for the month of September and that of July in sectors North and West. The occurrence of above normal rainfall in the ripening phase is known to be unfavourable to sucrose accumulation.

2.5 Sugar Production

2.5.1 The amount of sugar produced “*tel quel*” was 366,070 tonnes and was short by 34,103 tons when compared to crop 2014, when 400,173 tons of sugar was manufactured. The lower production is mainly attributed to the adverse climatic conditions that prevailed throughout year 2015. The total amount of sugar accruing was however, 369,531 tonnes island-wide against a Total Insurable Sugar of 442,394 tonnes, i.e. a sugar production of 83.5%.

2.5.2 Island average sucrose in cane was 10.73 as compared to 11.54 in 2014, a decrease of 0.81 percent (see Table 3). Highest richness was recorded at Terra (11.21) and the lowest at Alteo (10.38).

Table 3 – Comparison of Richesse (Sucrose % Cane)

Factory	Final Ass. at 12 Feb. 2016	Final Ass. 2014
Terra	11.21	11.88
Alteo	10.38	11.25
Medine	11.10	12.20
Omnicanne	10.65	11.41
Average	10.73	11.54

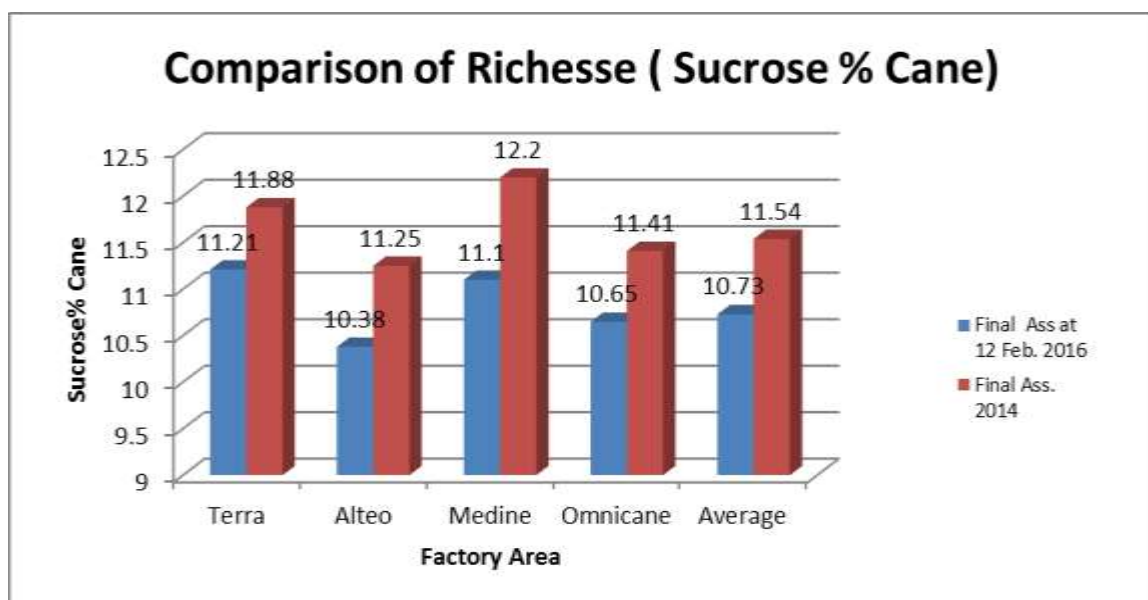


Figure 5

2.5.3 The island average extraction rate was 9.14 and was lagging by 0.77 percent when compared to 9.91 for the 2014 crop (Table 4). The highest extraction rate was recorded at Terra (9.63) and the lowest at Alteo (8.89). A slight decrease in extraction rate was also noted at Alteo and at Medine, where harvest of cane was delayed and exceeded December 2015.

Table 4 – Comparison of Extraction Rate

Factory	Final Ass. at Feb 12, 2016	Final Ass. 2014
Terra	9.63	10.04
Alteo	8.89	9.66
Medine	9.27	10.58
Omnicane	9.15	9.86
Average	9.14	9.91

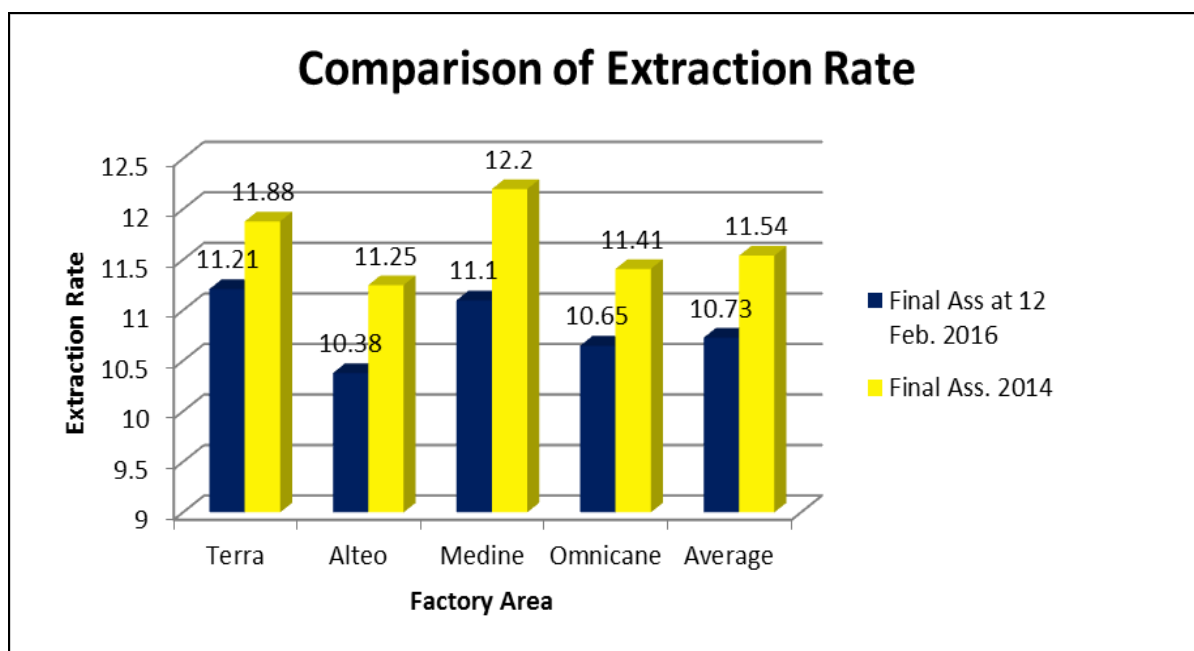


Figure 6

2.6 Sugar Price for Insurance Purposes

The sugar price for insurance purposes as determined by the Minister on 3 December 2015 and gazetted in General Notice No. 2443 Of 2015 amounted to Rs 13,735 per metric tonne of sugar for growing side (inclusive of the added value of molasses) and Rs 13,000 per metric tonne of sugar for the milling side.

2.7 Market Outlook

- 2.7.1 The 2015 crop experienced continued price depression pursuant to 5 consecutive years of global market surplus. The world stock-to-consumption ratio was at a peak of 50.46% by the start of the campaign, compared with an average of 40.30% prior to the start of this surplus cycle in 2010/11. The price of raw sugar on the New York #11 exchange attained a low of US 10.42 cts/lb (US\$ 230/tonne) on 21 August 2015, compared with US 15.97 cts/lb (US\$ 352/tonne) at the same time a year ago.
- 2.7.2 The market trend in EU, the main export destination for Mauritius sugars, did not remain isolated; on the other hand, the downward price pressure was exacerbated by the effect of the announced production quota liberalisation as from October 2017. The average ex-works price of white sugar, published by the EU Commission, consequently continued falling, reaching a low of EUR 414 / ton in June 2015, compared to an average of EUR 452 / ton during the previous crop year and EUR 632 / ton in 2013/14. The ex-Syndicate price for the 2015 crop, Rs 13,735/ton for growing side and Rs 13,000/ton for the milling side, consequently remained below producers' viability price despite, compared to the previous campaign, the improvement in delivery costs and an increase in revenue from sales of high value special sugars.

- 2.7.3 The 2015 crop campaign also marked the end of the exclusivity Long Term Partnership Agreement, which the Mauritius Sugar Syndicate had signed with Sudzucker in 2008 for the sale of its white sugar in EU. It was replaced as from 1 October 2015 by new long term supply agreements, namely with Cristal Co in France and British Sugar in the UK, in addition to annual contracts with individual buyers in both EU and non-EU market destinations.
- 2.7.4 Although world market prices started improving as from the last quarter of 2015 as a new global deficit cycle kicked in for the 2015/16 campaign, most contracts, especially in EU, had unfortunately already been finalised.
- 2.7.5 According to the International Sugar Organisation, the world sugar consumption for the 2015/16 campaign would exceed projected production by some 5 M tons, with the stock-to-consumption ratio falling to 47.30%. Despite the high overhang of stock after 5 consecutive years of global surplus, the impact on world market prices is already apparent as the price of raw sugar on the New York #11 exchange reached the US 15s cts/lb by end 2015. The EU market has, moreover, been influenced by the reduced 2015 crop outturn among its beet producers, some 20% below the previous crop, thereby increasing pressure on spot prices. Should the prevailing market conditions persist, sales revenue for the following campaign should improve.

2.8 Declaration of Event Year

- 2.8.1 Section 25 (1) of the Sugar Insurance Fund Act provides that:-

“(1) Where, in any crop year, the total sugar accrued for a prescribed area is not more than the prescribed percentage of the total insurable sugar for the prescribed area on account of the occurrence of all or any of the following events :

- (a) cyclone;*
- (b) drought; or*
- (c) excessive rainfall,*

the Board may, not later than 28 February following that crop year, declare that crop year to be an event year on account of all or any of those events.”

For the purpose of section 25(1) of the Act, regulations made by the Minister, as *gazetted* in General Notice No. 143 of 2015, provide that:

- “(a) the area prescribed for computing the total sugar accrued shall be any enlarged factory area; and*
- (b) the prescribed percentage of the total insurable sugar shall be 83 per cent.”*

- 2.8.2 For Crop Year 2015, the sugar production percentage and crop reduction percentage for each Enlarged Factory Area (EFA) was determined as shown in the next table.

ENLARGED FACTORY AREA	Total Insurable Sugar [T]	Total Sugar Accrued [T]	Sugar Production %	Crop Reduction %
TERRA	97,558	86,680	88.9%	11.1%
ALTEO	162,607	131,872	81.1%	18.9%
OMNICANE	136,866	111,113	81.2%	18.8%
MEDINE	45,363	39,866	87.9%	12.1%
ISLAND-WIDE	442,394	369,531	83.5%	16.5%

The sugar production percentages for Alteo and Omnicane EFAs being less than the prescribed threshold of **83%** of their respective Total Insurable Sugars, in line with Section 25(1) of the SIF Act, the Board on 24th February 2016 resolved to declare an 'Event Year' for Crop Year 2015 for the EFAs of Alteo and Omnicane on account of Excessive Rainfall.

2.9 Statistics

CROP YEAR	CROP 2015	CROP 2014
Total Number of Insured Accounts	14,575	14,925
Total Area under Cane (Ha)	57,424	58,305
Total Harvest Extent (Ha)	51,694	49,791
Total Cane Weight (T)	4,009,232	4,044,421
Total Sugar Accrued (T)	369,531	404,146
Total Insurable Sugar (T)	442,394	424,715
Sugar Production %	83.5%	95.2%
Crop Reduction %	16.5%	4.8%
General Premium Claimable (Rs.)	200,572,445	185,232,490
General Compensation Payable (Rs.)	407,135,789	-
One-off Financial Assistance (Rs.)	413,372,095	900,962,726

2.10 Fire Insurance Crop 2015

2.10.1 Sub-section 37(2)(e) of SIF Act states that:

“No compensation shall be paid where the Board is satisfied that it is economically viable for the insured to harvest and mill the burnt canes at a factory outside the enlarged factory area of the cane plantation with the burnt canes”.

This sub-section extends fire compensation to cropping season in limited cases and is subject to report of fire within 10 days and the Board being satisfied that it is not “economically viable for the insured to harvest and mill the burnt canes at a factory outside the enlarged factory area”.

However, where burnt canes have been harvested and milled at a factory within the EFA, no fire compensation is payable.

2.10.2 Fire Premium Rates

As from Crop 2014, the fire premium has been increased from Rs 12.50 to Rs 16.75 per ton of insurable sugar to address:

- (1) Adverse historical claims experience as reflected by the deficit in the Fire Account;
- (2) Extending payment of fire compensation to cropping season.

2.10.3 Inter-crop Fire compensation

For Crop 2015, the total number of accounts of cane growers eligible for fire compensation was 120 with a total extent of 130 hectares island-wide. The total compensation paid amounted to Rs 5.1M

2.10.4 Fire Compensation during Harvest Season (Transport Allowance)

A total amount of Rs 2.0 M has been paid as transport allowance to 74 planters for fire occurrences during harvest season.

2.10.5 Loss Ratio & Fire Insurance Account Status

The Fire Insurance Account showed a meagre surplus of Rs 0.3 M resulting to an overall loss ratio of 96%. The total accumulated deficit of the account stands at Rs 0.3M.

2.11 Measures for Cane Planters

The financial plight of sugar producers, due to drastic fall in world market sugar price (below the viable price) lingered for Crop 2015. Besides an earmarked cash injection for a second consecutive year by the SIFB in the form of a one-off financial assistance, Government decided that new revenue streams be identified to ensure that sugar cane planters obtain a reasonable and adequate income.

Government, inter alia, agreed to:

- (i) The setting up of a Sugarcane Sustainability Fund for the payment of an amount of Rs1,100 per tonne of sugar to planters producing up to 60 tonnes of sugar and Rs300 per tonne in excess of 60 tonnes;
- (ii) An increase from Rs20 to Rs40 per litre of alcohol produced by local bottlers;
- (iii) Early negotiations be carried out with the European Commission to raise the threshold to import raw sugar for processing into white sugar from 15% to 30% of the sugar export volume; and

- (iv) A levy of 15% be introduced on the import of sugar to render such sugar less competitive vis-à-vis the locally produced sugar.

2.12 Other Services provided by SIFB

On and above its statutory obligations, the SIFB reports on land status to different Ministries for purposes such as land conversion, parcelling of land, etc. The SIFB also assists planters in the obtention of duty-free facilities on double cabs, etc. Moreover, the SIFB is frequently solicited by Governmental departments, the judiciary as well as insureds in respect of land under/ having been under cane cultivation.

Corporate Governance Report

1.0 Statement of Corporate Governance

- “Corporate Governance is the processes by which organizations are directed, controlled and held to account.”

Australian National Audit Office, 1999

- “Corporate Governance is concerned with holding the balance and social goals, and between individual and communal goals...the aim is to align as nearly as possible the interests of individuals, corporations and society.”

Sir Adrian Cadbury
Corporate Governance overview, 1999
World Bank Report

The governance structure specifies the distribution of rights and responsibilities among a broad group of stakeholders including the Board of Directors, management, employees, regulators and insureds. Governance is a mechanism for monitoring the actions and policies and decisions of corporations and involves the alignment of interests among the stakeholders for the larger interest of the organization.

The Board of Directors of the Sugar Insurance Fund is fully committed to achieving and sustaining the highest standards of corporate governance with the aim of maximizing long term value for all stakeholders.

1.1 The Code of Corporate Governance in Mauritius

The Code of Corporate Governance for Mauritius (the Code) was first published in October 2003. The Code requires all Companies listed on the official list of the Stock Exchange of Mauritius (SEM), banks and nonbanking financial institutions, large public entities, State-owned enterprises including statutory corporations and parastatal bodies and large private companies to ensure compliance or else to provide reasons for not complying with any of the provisions of the Code in their financial statements or reports.

The goals of the Code of Corporate Governance in Mauritius are to identify and articulate “good” or “best” governance practices and provide specific benchmarks against which these can be monitored. This Code contains a number of key principles of effective corporate governance: accountability, transparency, responsibility and fairness.

1.2 Director’s Responsibilities

- 1.2.1 The fundamental statutory responsibilities of the Board of Directors are to lay down the overall policies regulating the various business/activities of the SIFB; it oversees the SIFB’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. In addition the Board is committed to ensure as far as reasonably possible, and in accordance with legislation in force, the safety and health of its staff. To fulfill their

responsibilities, Board members have unhindered access to accurate, relevant and timely information.

1.2.2 The Directors acknowledge their responsibilities for:

- i. adequate accounting records and maintenance of effective internal control systems,
- ii. the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS),
- iii. the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

- i. adequate accounting records and an effective system of internal controls and risk management have been maintained,
- ii. appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently,
- iii. the Code of Corporate Governance has been adhered to. Reasons have been provided where there has not been compliance,
- iv. International Financial Reporting Standards have been adhered to.

1.3 Vision, Mission and objectives of the SIFB

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 SIFB.

1.4 Board of Directors

The Board is the link between shareholders and the organization. As such, all organisations should be headed by an effective board which can lead and control the organization. The concept of a unitary should be the favoured board structure for companies in Mauritius. Every board should determine its optimal size and composition for effective execution of its responsibilities. The board is the focal point of the corporate governance system and is ultimately accountable and responsible for the performance and affairs of the organization. The roles and responsibilities of the Board include inter alia:

- a) Determine the company's purpose, strategy and values.
- b) Delegate authority to and empower the executive management to implement strategies, policies and plans approved by the board.
- c) Monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans.

- d) Ensure that organization complies with all relevant laws, regulations and code of best business practice.
- e) Determine a policy for the frequency, purpose, conduct and duration of its meetings and those of its formally established committees.
- f) Ensure effective communication with relevant stakeholders.

1.5 Health & Safety

The SIFB 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.

1.6 Committees of the SIFB

As stipulated in the Code of Corporate Governance for Mauritius, the Board is the focal point of the corporate governance system and is ultimately accountable and responsible for the performance and affairs of the organization. Delegating authority to Board Committees or management does not in any way discharge the board from its duties and responsibilities. Board Committees are a mechanism to assist the Board and its Directors in discharging their duties through a more comprehensive evaluation. Each Board Committee has a mandate approved by 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 & IT Committee, Assessment Committee, Audit and Risk Management Committee, Budget and Procurement Committee and Staff Committee.

1.6.1 Corporate Governance Committee & IT 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. The IT Committee shall formulate and approve IT policy, strategies and specific project and make such recommendations to the Board as necessary.

1.6.2 Investment Committee

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

1.6.3 Assessment Committee

The Assessment Committee comprising of Mr J. Bundhoo as Chairman, Mr D.N. Busgeeth, Mr C. Dabydoyal and Mr S. Veerasamy, 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.

1.6.4 Audit and Risk Management Committee

The Audit and Risk Management Committee comprising of Mr. G. Leung Shing as Chairman, Mr. S. Veerasamy and Mr. V. Dewkurrun, 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.

1.6.5 Budget and Procurement Committee

The Budget and Procurement Committee comprising of Mr. J. Li Yuen Fong as Chairman, Mr. D. Bundhoo, Mr. I. Jugroo and Mr. V. Dewkurrun, through budgetary control monitors the annual expenditure and ensures procurement of goods and services through established procedures.

1.6.6 Staff Committee

The Staff Committee comprising of the Chairman of the Board, Mr V. Boodhna, Mr. D.N. Busgeeth and Mr. I. Jugroo, 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.

1.7 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 SIFB 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.

1.8 Code of Conduct

The SIFB 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.

1.9 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 SIFB encourages its employees, more particularly at Management level for a declaration of assets.

1.10 Equal opportunity Policy

In line with the requirements of the Equal Opportunity Act 2008 and good governance practices, the SIFB 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.

1.11 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.

1.12 Related Party Transactions & Key Risks

Related party transactions and key risks areas have been fully disclosed in the financial statements.

1.13 Directors of the Board:

Mr V. Lochun	Chairman (<i>as from end of March 2015</i>)
Mr. G. Leung Shing	Representative of Mauritius Chamber of Agriculture
Mr. D. Bundhoo.....	Representative of Ministry of Finance and Economic, Port Louis (<i>Acting Chairman from Jan – Mar 2015</i>)
Mr. J. Bundhoo.....	Representative of Mauritius Cane Industry Authority
Mr. D. Busgeet.....	Ag. Director, Control and Arbitration Department of the Mauritius Cane Industry Authority
Mr. J. Li Yuen Fong	Representative of Millers
Mr. S. Purmanund.....	Representative of Planters (<i>up to March 2015</i>)
Mr. J. Seegobin.....	Representative of Planters (<i>up to March 2015</i>)
Mr C. Dabydoyal	Representative of Planters (<i>as from end of March 2015</i>)
Mr V. Dewkurrun	Representative of Planters (<i>as from end of March 2015</i>)
Mr I. Jugroo	Representative of Planters (<i>as from end of March 2015</i>)
Mr S. Veerasamy	Representative of Planters (<i>as from end of March 2015</i>)
Mrs. D. Takoory	Representative of Ministry of Agro-Industry and Food Security (<i>up to March 2015</i>)
Mr V. Boodhna	Representative of Ministry of Agro-Industry and Food Security (<i>as from end of March 2015</i>)

The Board was reconstituted on 31 March 2015

1.14 Remuneration of Directors

Directors' fees are fixed in accordance with section (5) (3) of the SIF Act No 4 of 1974. Details for 2015 are given below:

Board Directors	Total fees (in MUR)
Mr V. Lochun	630,000.00
Mr. D. Bundhoo	280,806.00
Mr. J. Bundhoo	236,250.00
Mr D. Busgeeth	236,250.00
Mr G. Leung Shing	236,250.00
Mr. J. Li Yuen Fong	236,250.00
Mr. S. Purmanund	11,250.00
Mr. J. Seegobin	11,250.00
Mr. C. Dabydoyal	225,000.00
Mr V. Dewkurrun	225,000.00
Mr I. Jugroo	225,000.00

Board Directors	Total fees (in MUR)
Mr S. Veerasamy	225,000.00
Mrs. D. Takoory	11,250.00
Mr V. Boodhna	225,000.00
Mr V. Putchay	1,291.00

1.15 Board and Committee Meetings

The Board and its various committees met on 28 occasions.

Board Directors	Board meeting	Investment Committee	Assessment Committee	Audit Committee	Budget & Procurement Committee	Staff Committee	CGC & IT Committee	Total
Mr V. Lochun (as from end of Mar 2015)	10/10	3/3	n.a	n.a	n.a	3/3	3/3	19
Mr D. Bundhoo	12/12	4/4	n.a	1/1	1/1	n.a	1/1	19
Mr J. Bundhoo	10/12	n.a	2/2	n.a	n.a	n.a	2/3	14
Mr D.N. Busgeeth	12/12	n.a	2/2	n.a	n.a	3/3	n.a	17
Mr G. Leung Shing	11/12	4/4	n.a	2/2	n.a	n.a	4/4	21
Mr J. li Yuen Fong	9/12	3/4	n.a	n.a	1/1	n.a	4/4	17
Mr S. Purmanund (up to Mar 2015)	2/2	n.a	1/1	n.a	n.a	n.a	n.a	3
Mr J. Seegobin (up to Mar 2015)	2/2	n.a	n.a	1/1	n.a	n.a	n.a	3
Mr C. Dabydoyal (as from end of Mar 2015)	6/10	n.a	1/1	n.a	n.a	n.a	n.a	7
Mr V. Dewkurrun (as from end of Mar 2015)	9/10	n.a	n.a	1/1	1/1	n.a	n.a	11
Mr I. Jugroo (as from end of Mar 2015)	10/10	n.a	n.a	n.a	1/1	3/3	n.a	14
Mr S. Veerasamy (as from end of Mar 2015)	10/10	n.a	1/1	1/1	n.a	n.a	n.a	12
Mrs D. Takoory (up to Mar 2015)	1/2	n.a	n.a	n.a	n.a	n.a	n.a	1
Mr V. Boodhna (as from end of Mar 2015)	6/10	n.a	n.a	n.a	n.a	2/3	n.a	8

Key: n/a – not applicable

1.16 Corporate profile

Directors of the Board:

MR VIVEKANAND LOCHUN



CHAIRMAN (appointed in March 2015)

Born in 1962, Mr V. Lochun holds a degree in Engineering and an MSc in Electrical and Electronic Engineering. He has worked as Computer/Telecoms Engineer at Currimjee Jeewanjee Co Ltd, State Informatics Ltd. He worked as Manager ICT at EPZDA, Enterprise Mauritius. Mr V. Lochun also worked as Managing Director of Pansoft Ltd. In addition, he worked as part-time lecturer at University of Mauritius. He was Consultant for International Trade Centre in Geneva. Mr Lochun worked as Consultant to the European Union Delegation in Mauritius, COMESA and Indian Ocean Commission. He has also been involved in the agriculture sector for a very long time and has been founder member, President of Letchi Du Paradis Co-operative. He was also the President of APEXHOM. Mr V. Lochun is presently Special Adviser ICT and Advanced Technologies at the Ministry of Finance and Economic Development. He is also a Board member of SBM (Bank) Ltd.



MR. GEORGES LEUNG SHING (appointed in September 1992)

Representative of the Mauritius Chamber of Agriculture

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 Omnicane Ltd (formerly Mon Trésor and Mon Désert Ltd), Pharmacie Nouvelle Ltd, Standard Bank Mauritius Ltd and Sud Concassage Ltée.



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 Chief Executive Officer of the Mauritius Cane Industry Authority.



MR. DEVENDRA NATH BUSGEETH (appointed in September 2014)

DIRECTOR - Representative of Control and Arbitration Department

Born in 1958 Mr D. N. Busgeeth holds a BSc Honors in Sugar Technology from the University of Mauritius. He is the Acting Director of the Control and Arbitration Department.



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 was the Director of the Mauritius Sugar Producers' Association until the dissolution of the organization in November 2015. Since January 2016, he is Director of TY Consulting Ltd. He is a Board Member of the Mauritius Cane Industry Authority, the Mauritius Sugar Syndicate, Business Mauritius and the Sugar Industry Pension Fund. He is also a Director of the Sugar Association Building Ltd.



MR. SRINIVASS PURMANUND (from December 2006 to March 2015))

DIRECTOR – Representative of Planters

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



MR. JUGDUTH SEEGOBIN (from April 2002 to March 2015)

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. CHABEELALL (SEN) DABYDOYAL (Appointed in April 2015)

DIRECTOR – Representative of Planters

Born in 1960, Mr C. Dabydoyal is the Secretary of the Medine Camp de Masque Cooperative Credit Society, the Queen Victoria Multipurpose Cooperative Society Ltd and the La Queen Agricultural Cooperative Society Ltd.

He worked as Senior Test Chemist at the former Cane Planters and Millers Arbitration and Control Board. He was the Board Chair of Fairtrade Southern Africa Network and Director of the Board of Fairtrade Africa (November 2013 to February 2016).



MR. VIDHIANUND DEWKURRUN (appointed in March 2015)

DIRECTOR – Representative of Planters

Born in 1936, Mr V. Dewkurrin was employee at Highlands Sugar Estate in accounting department for 40 years. He is a social worker and also member of Mauritius Arya Sabha and Mauritius Council Social Service (MACOSS). He was honoured “Citoyen D’honneur” of Moka Flacq District Council in 1991 and honoured as O.S.K by President of Mauritius in 1999.



MR. ISHWURDUTH JUGROO (appointed in March 2015)

DIRECTOR – Representative of Planters

Born in 1951, Mr I. Jugroo is a small sugarcane planter from Holyrood, Vacoas. Mr I. Jugroo is also the founder member of the Mauritius Planters Association (MPA), now called the Mauritius Planters Agricultural By-Products Processing Co-operative Society Ltd, where he served as Treasurer, Secretary and President for the last four decades. He is also one of the founder members of the Holyrood Co-operative Thrift and Credit Society founded in 1983. Furthermore, Mr I. Jugroo was awarded President’s Certificate of Honour for the long and meritorious service as civil servant.



MR. SHYAMNATH VEERASAMY (appointed in March 2015)

DIRECTOR – Representative of Planters

Born in 1947, Mr S. Veerasamy holds a BSc Hons. in Meteorology from Reading University, England and a MSc Agricultural Physics from McGill University, Canada. He was Deputy Director of Mauritius Meteorological Services. Mr S. Veerasamy is the author of (i) “A Report on Climate Variability and Sugar Production in Mauritius”, (ii) “Comments on Reexamination of Tropical Cyclone Wind-Pressure Relationship” and co-author of “Climate Variability, Agriculture and Forestry: An Update”. He has been a sugarcane planter since 2004.



MRS. DAMYANTEE TAKOORY (from March 2014 to March 2015)

DIRECTOR – Representative of Ministry of Agro Industry and Food Security

Born in 1961, Mrs D. Takoory holds a Diploma in Human Resource Management (University of Mauritius), a Diploma in Administration and Management (University of Technology, Mauritius) and a First Class BSc (Hons) in Human Resource Management (University of Technology, Mauritius). She is currently the Assistant Permanent Secretary at the Ministry of Agro Industry and Food Security and is responsible of the sugar sector schedule within the Ministry.



MR. VEERSINGH BOODHNA (appointed in March 2015)

DIRECTOR – Representative of Ministry of Agro Industry and Food Security

Born in 1963, Mr V. Boodhna holds a BSc (Hons) in HRM from University of Technology (Mauritius) and a Master in Public Policy and Administration from University of Mauritius.. He has worked as Assistant Permanent Secretary at (i) Prime Minister’s Office (Home Affairs), (ii) Ombudsman’s Office, (iii) Ministry of Fisheries, (iv) Ministry of Tourism and Leisure, (v) Ministry of Health and Quality of Life and (vi) Office of the President. He has also worked as Deputy Permanent Secretary at Prime Minister’s Office (Home Affairs) and is presently posted at Ministry of Agro-Industry and Food Security. Mr V. Boodhna was appointed as Director of SIFB on 31 March 2015.

1.17 Senior Management Profile

DINESS PURRYAG, *Chief Executive Officer - retired on 16 October 2015*

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 Chief Executive Officer of the SIFB 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.

RAJSHREE DEEPTEE BOODHOO, *Manager (Finance)*

Ms. R. D. Boodhoo holds a BSc (Hons) in Banking and International Finance from the University of Technology of Mauritius and a MSC in Finance and Investments from Nottingham University. 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.

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

Mr. S.S. Chong Chap Sin holder of an MBA and BSc in Electronic Engineer joined the SIFB as Senior Network Engineer in November 1997.

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 as from 5 June 2008.

YUNGKIONG JIMMY NEWKFONHEYTOW, *Chief Operations Officer*

Mr. J Newkfonheytow holds a BSc in Computer Science and enrolled as 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 Operations Officer.

MOHAMMAD AMEEN ISHACK NOORMAHOMED, *Internal Auditor*

Mr. M. A. I. Noormahomed, FCCA, 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.

BANEETA **RAMDHONY**, *Administrative Secretary*

Mrs. B. Ramdhony holds a BSc in Public Administration and Management and a Masters in Business Administration (General), both from the University of Technology, Mauritius (UTM). She joined the SIFB on 14 November 2014. She was an Administrative Manager in the private sector for some 10 years preceding her appointment at the SIFB.

JAYENDRA **SOOKDEB**, *Senior Manager Operations*

Mr. J. Sookdeb holds a BSc Statistics from the University of Cape Town, a Diploma in Actuarial Techniques, UK and an Executive MBA from the European Business School (Paris). He is currently an Associate member of the Institute and Faculty of Actuaries, UK. He joined the SIFB as Claims Manager in April 2009 and is presently the Senior Manager (Operations).

1.18 Legal Advisers

- (i) Andre Robert, Jr., Attorney-at-Law
- (ii) Attorney-General's Office

1.19 Auditors

Director of Audit, National Audit Office

1.20 Acknowledgement and Thanks

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



Chairperson



Director

This14 September 2016.....



Statement of Compliance
With the Code of Corporate Governance under section 75(3) of the Financial Reporting Act

Name of Public Interest Entity: **Sugar Insurance Fund Board**

Reporting Period: **Year Ended 31 December 2015**

We, the Directors of Sugar Insurance Fund Board, confirm that to the best of our knowledge:

- (i) The Sugar Insurance Fund Board has complied with all of its obligations and requirements under the Code of Corporate Governance.

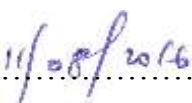
SIGNED BY:

Chairperson and one Director

Names:


.....
Chairperson


.....
Director

Dated: 
.....

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
St Pierre	FSC Building Royal Road St Pierre Tel: 433-5177	Mon Desert Alma Fuel
Souillac	Royal Road Souillac Tel: 625-5691	Union St Aubin Britannia St Félix Bel Ombre
Vacoas	Independence Road Vacoas Tel: 696-6386	Médine Highlands

Financial Performance

The year under review showed a net deficit of MUR 619.4M (General and Fire) compared to a higher net deficit of MUR 723.38M for the year ended 31 December 2014. The deficit is mainly attributable to the cumulative impact of a provision for an assistance to Insureds, necessitating the recognition of a liability of some MUR 413.75M, General Insurance Premium amounting to MUR 200.55M discounted at 100% coupled with a provision of MUR 406.9M for general insurance compensation for crop 2015 in respect to enlarged factory areas Alteo and Omnicane; effect however partly mitigated by significant exchange gains realised on foreign currency translation at year end.

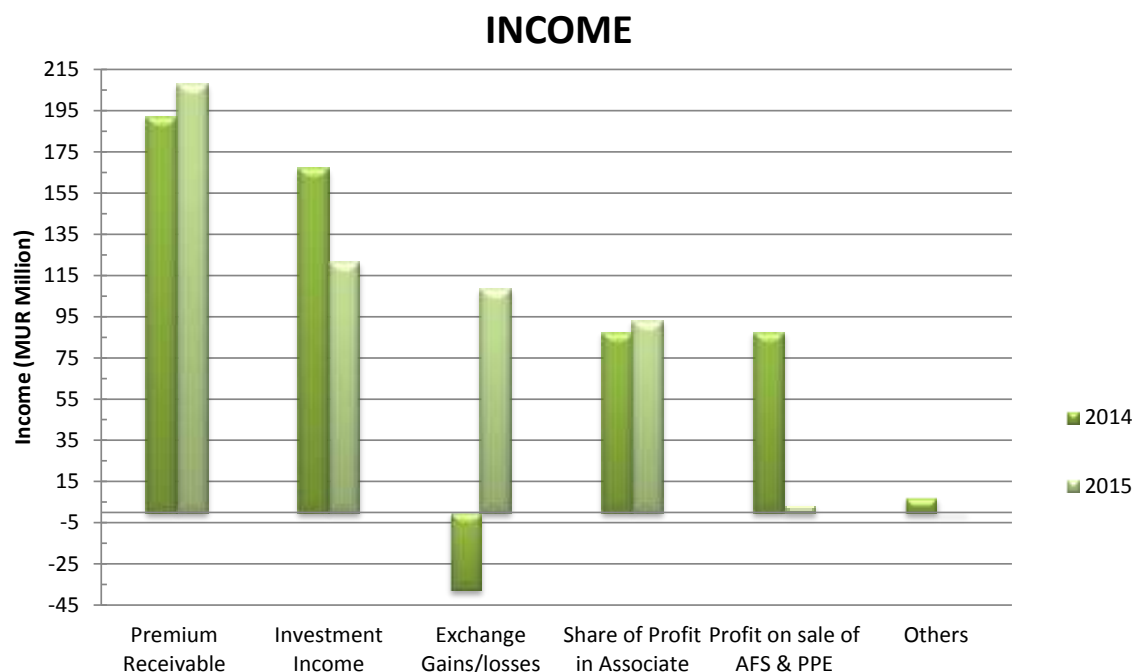
Summary of Income and Expenditure

Item	General Fund MUR Million	Fire Fund MUR Million	Total MUR Million
Gross Insurance Premium	200.5	7.4	207.9
Insurance compensation payable	(406.9)	(7.2)	(414.1)
Surplus/(Deficit) on Insurance Account	(206.4)	0.2	(206.2)
Other Income	327.1	-	327.1
Assistance to Insureds	(414.7)	-	(414.7)
Other Expenses	(325.4)	(0.2)	(325.6)
Net Deficit	(619.4)	-	(619.4)

Income

Insurance premium receivable, investment income, share of profit of Associate and exchange gains on translation of foreign currency deposits form the bulk of the Fund's income amounting to MUR 527.7M for the year under review.

The composition of income is shown below:



Insurance Premium

Gross Insurance Premium (General and Fire) for crop year 2015 receivable during the period amounted to MUR 207.9M compared to MUR 192.1M for the previous crop year. The increase is mainly attributable to a higher total insurable sugar and higher weighted average sugar price for crop 2015.

Premium Income

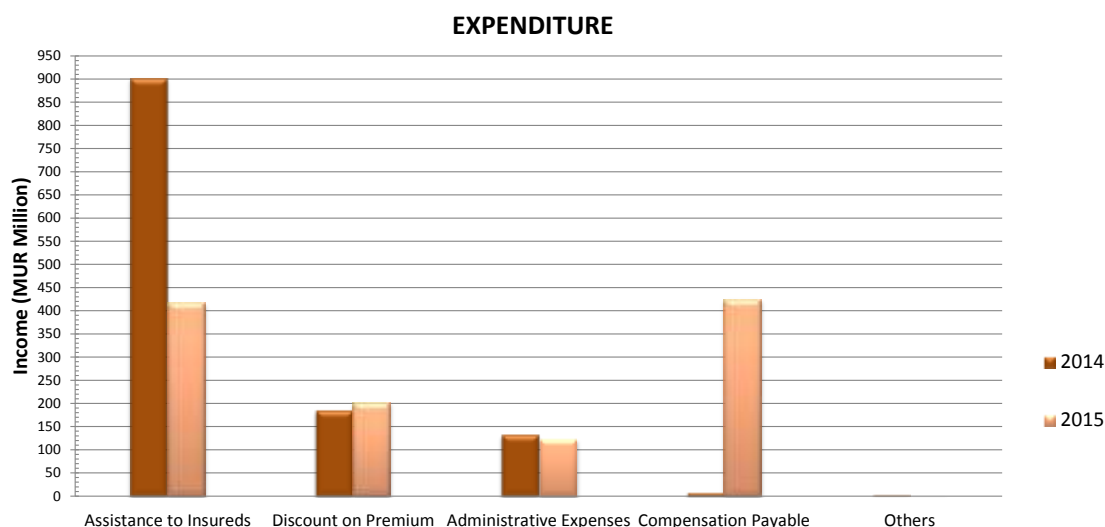
Premium (Gross)	Total MUR Million
General	200.5
Fire	7.4
Total	207.9

Investment Income

Investment income (Interest and Dividend) was down by 27.2% over the one year period, decreasing from MUR 166.8M to MUR121.4M. The downturn is a direct effect of lesser funds available for investment during the year after the disbursement of some MUR 901M as financial assistance for crop 2014. Despite the fact that our holdings in MUR deposits with financial institutions at end of reporting date was reduced by some 40% compared to the previous year (due to disbursement of financial assistance for crop 2014), interest income for this category of investment fell by only 30%.

Expenditure

The overall expenditure of the Fund for the year was MUR 1154.4M compared to MUR 1,264.0M for the previous year. The total expenditure for 2015 includes a provision of some MUR 413.7M for financial assistance to Insureds, MUR 200.5M as discount on general insurance premium for crop 2015 and MUR 406.9M for general insurance compensation.



Accumulated Fund

The Accumulated Fund, comprising of the General Fund and the Fire Fund, regressed from MUR 4,506.2M to MUR 3,815.7M during the year, representing a decrease of 15.3%.

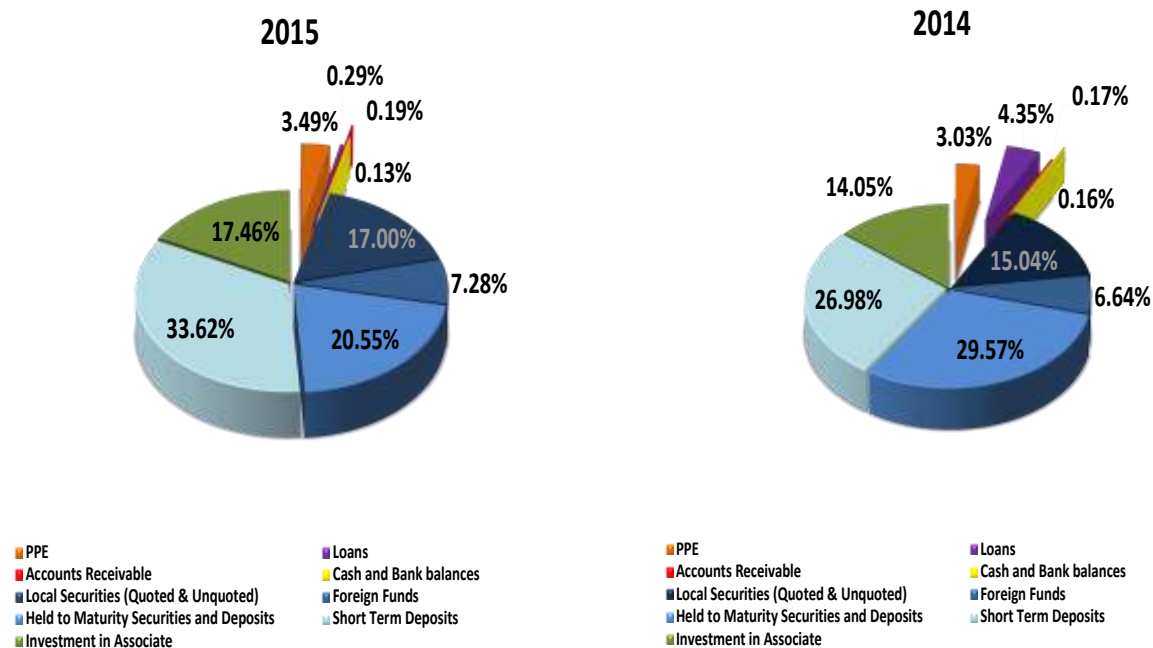
Accumulated Fund

Fund	Total MUR Million
General	3,815.9
Fire	(0.2)
Total	3,815.7

Assets under management

Total assets managed by the Fund decreased from MUR 6.58 billion last year to reach MUR 5.58 billion at 31 December 2015, posting a negative change of 15.3%.

A breakdown of total assets under management is shown below:

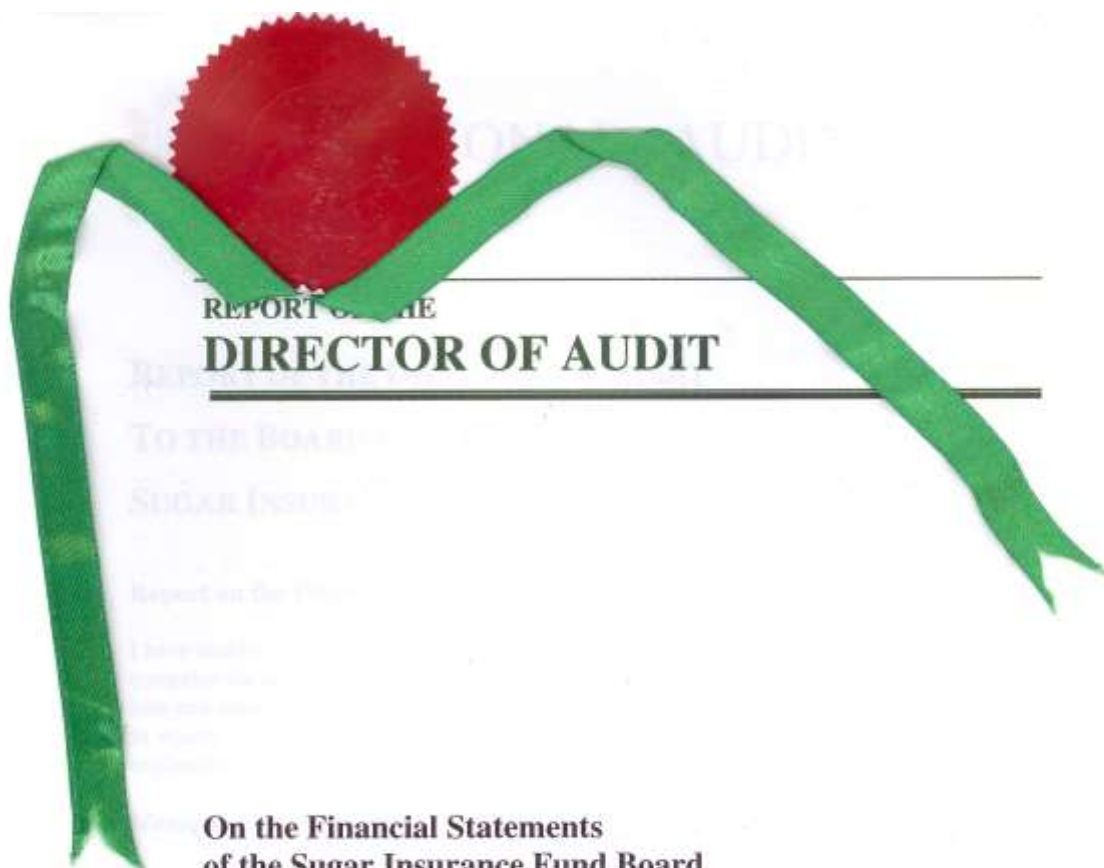




SUGAR INSURANCE FUND BOARD

Appendix A

Report of the Director of Audit



**On the Financial Statements
of the Sugar Insurance Fund Board
for the year ended 31 December 2015**

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 at 31 December 2015, the statement of profit and loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

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 Financial Reporting Standards and in compliance with the Statutory Bodies (Accounts and Audit) Act, 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 of Supreme Audit Institutions. 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 of 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 judgement, 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 principles 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 reasonable basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Sugar Insurance Fund Board as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Management's Responsibility for Compliance

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. This responsibility includes performing procedures to obtain audit evidence about whether the entity's expenditure and income have been applied for the purposes intended by the legislature. Such procedures include the assessment of the risks of material non-compliance.

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

Opinion on Compliance

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.

Financial Reporting Act

The Directors are responsible for preparing the Corporate Governance Report. My responsibility is to report on the extent of compliance of 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 disclosure in the Corporate Governance Report is 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

12 October 2016



SUGAR INSURANCE FUND BOARD

Financial Statements

STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

ASSETS	Notes	31 December 2015 MUR	31 December 2014 MUR
NON-CURRENT ASSETS			
Property, plant and equipment	4	123,094,105	127,013,454
Intangible Assets	5	3,440,176	2,432,401
Investments in securities and deposits	6	1,583,339,316	1,604,452,296
Investment in Associate	7	973,459,502	898,845,804
Investment property	8	58,000,000	55,000,000
Long term loans	9	8,756,219	10,378,410
		2,750,089,318	2,698,122,365
CURRENT ASSETS			
Accounts receivable	10	10,320,526	11,090,973
Investments in securities and deposits	6	915,373,124	1,687,298,591
Investment property held for sale	11	10,500,000	9,600,000
Short term loans	12	7,412,000	440,047,388
Cash and cash equivalent	13	1,881,850,793	1,735,475,155
		2,825,456,443	3,883,512,107
TOTAL ASSETS		5,575,545,760	6,581,634,472
LIABILITIES			
CURRENT LIABILITIES			
Account payable	14	837,090,409	909,408,421
Short Term employee benefits	15	4,696,263	5,727,508
		841,786,672	915,135,929
NON-CURRENT LIABILITIES			
Provision for staff passage benefits	16	5,122,638	4,961,723
Long term employees benefits	15	40,545,012	39,011,227
Retirement benefit obligations	17 (i)	168,632,116	379,157,647
		214,299,766	423,130,597
TOTAL LIABILITIES		1,056,086,438	1,338,266,526
NET ASSETS		4,519,459,322	5,243,367,946
NET ASSETS / EQUITY			
Accumulated funds		3,815,920,971	4,506,248,319
Revaluation reserves		703,538,351	737,119,627
TOTAL NET ASSETS / EQUITY		4,519,459,322	5,243,367,946

Approved by the Board of Directors and authorised for issue on 17 March 2016 and subsequently amended on 14 September 2016.


Chairperson


Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2015

	Note	Year ended 31 December 2015 MUR	Year ended 31 December 2014 MUR
GENERAL INSURANCE ACCOUNT			
REVENUE			
Insurance premium		200,522,630	185,046,505
Investment income	18	121,401,546	166,791,771
Share of profit of Associate	7	92,832,800	87,199,600
Exchange and Other gains	19(a)	108,379,438	–
Profit on sale of AFS securities & PPE	20	3,880,230	87,168,526
Recoveries from Reinsurer – Crop 1999		–	7,072,238
Other Revenue		645,129	281,364
TOTAL REVENUE		527,661,773	533,560,004
EXPENSES			
General Insurance Compensation	21	406,904,000	–
Special Assistance to Insureds	22	414,659,158	900,000,000
Discount on General Premium (100%)	23	200,550,000	185,235,238
Administrative	24	124,159,469	133,061,566
Voluntary Retirement Scheme Compensation		–	872,162
Exchange and Other losses	19(b)	569,453	37,470,213
TOTAL EXPENSES		1,146,842,080	1,256,639,179
Deficit to General Fund for the year		(619,180,307)	(723,079,175)
FIRE INSURANCE ACCOUNT			
REVENUE			
Insurance premium		7,412,000	7,109,136
TOTAL REVENUE		7,412,000	7,109,136
EXPENSES			
Insurance compensation		7,226,480	7,250,000
Management fee to General Fund		222,000	165,000
TOTAL EXPENSES		7,448,480	7,415,000
Deficit to Fire Fund for the year		(36,480)	(305,864)
Total Deficit for the year		(619,216,787)	(723,385,039)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Net fair value (loss)/gain on available-for-sale financial assets		(40,890,300)	50,139,964
Transfer on disposal of available-for-sale financial assets		1,232,751	(77,472,592)
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit obligation	17(iii)	(71,110,560)	(252,665)
Share of Associates not reported in surplus		7,527,400	(8,302,800)
Total Other Comprehensive Income		(103,240,709)	(35,888,093)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(722,457,495)	(759,273,132)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

	Accumulated Funds		Revaluation Reserves		Total
	<u>General Fund</u> MUR	<u>Fire Fund</u> MUR	<u>Property</u> MUR	<u>Investments</u> MUR	
At 31 December 2012 (as restated)	5,204,349,274	133,178	120,740,541	503,552,760	5,828,775,753
Revaluation reserves realised on disposal	–	–	(3,911,500)	(15,664,434)	(19,575,934)
Fair value gain on available-for- sale financial assets	–	–	–	174,619,089	174,619,089
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
Adjustment on application of IAS 19	(239,513,882)	–	–	–	(239,513,882)
At 31 December 2013 (as restated)	5,231,790,506	(1,904,484)	116,829,041	655,926,015	6,002,641,078
Revaluation reserves realised on disposal	–	–	–	(77,472,592)	(77,472,592)
Fair value gain on available-for- sale financial assets	–	–	–	50,139,964	50,139,964
Inter Fund Loan arrangement	(2,000,000)	2,000,000	–	–	–
Share of Associate not reported in surplus	–	–	–	(8,302,800)	(8,302,800)
Net Deficit for the year	(723,079,175)	(305,864)	–	–	(723,385,039)
Adjustment on application of IAS 19	(252,665)	–	–	–	(252,665)
At 31 December 2014	4,506,458,666	(210,348)	116,829,041	620,290,587	5,243,367,946
Revaluation reserves realised on disposal	–	–	–	1,232,751	1,232,751
Fair value loss on available-for- sale financial assets	–	–	–	(42,341,428)	(42,341,428)
Re-measurement of Defined Benefit Obligations	(71,110,560)	–	–	–	(71,110,560)
Share of Associate not reported in surplus	–	–	–	7,527,400	7,527,400
Net Deficit for the year	(619,180,307)	(36,480)	–	–	(619,216,787)
At 31 December 2015	3,816,167,799	(246,828)	116,829,041	586,709,310	4,519,459,322

STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

	Year ended 31 December 2015 MUR	Year ended 31 December 2014 MUR
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Deficit for the year	(619,216,787)	(723,385,039)
Adjustments for:		
Share of profit of Associate	(92,832,800)	(87,199,600)
Provision for passage benefits	2,317,677	2,292,321
Payment of passage benefits	(2,056,762)	(2,447,991)
Depreciation of non-current assets	6,974,834	7,319,048
Amortisation of Intangible Assets	1,744,288	1,237,783
Investment income	(121,401,546)	(166,791,771)
Profit on sale of plant & equipment	(243,426)	(532,817)
Gain on disposal of available-for-sale securities	(3,636,804)	(86,635,709)
(Gain)/Loss on revaluation of investment properties	(3,900,000)	807,000
Impairment loss on local unquoted securities	300,000	200,000
(Gain)/Loss on valuation of investments	(802,448)	1,175,470
Retirement benefits charged	14,563,909	24,859,261
Provision for employees benefits	4,782,515	4,579,732
Employees benefits paid	(4,279,974)	(3,846,092)
OPERATING DEFICIT BEFORE WORKING CAPITAL CHANGES	(817,687,324)	(1,028,368,404)
Decrease/(Increase) in trade and other receivables	554,652	(43,106)
(Decrease)/Increase in trade and other payables	(76,170,384)	892,415,656
Special contribution to defined benefit scheme	(296,200,000)	—
NET CASH USED BY OPERATING ACTIVITIES	(1,189,503,056)	(135,995,854)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment to acquire financial assets	(358,204,681)	(524,971,051)
Proceeds from sale of financial assets	1,083,137,035	607,739,720
Dividend received	52,245,668	55,324,322
Interest received	119,568,693	144,633,441
Payment for property, plant and equipment	(2,450,524)	(2,402,812)
Proceeds from sale of property, plant and equipment	638,774	775,000
NET CASH GENERATED BY INVESTING ACTIVITIES	894,934,965	281,098,620
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loans granted	(452,412,000)	(298,825,459)
Proceeds from short term loans	891,733,538	130,796,261
Net Proceeds/ (issue) from long term loans	1,622,191	(3,753,002)
NET CASH GENERATED/(USED) BY FINANCING ACTIVITIES	440,943,729	(171,782,200)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	146,375,638	(26,679,434)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,735,475,155	1,762,154,589
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,881,850,793	1,735,475,155
Note:		
(i) Cash & cash equivalent is represented by:		
Bank and cash balances	7,179,811	10,252,997
Short term deposits	1,874,670,982	1,725,222,158

(ii) At year end, provision of some MUR 827.8 Million has been made for payment of compensation and financial assistance to Insureds. The outflow is expected within the first six month of the next financial year.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 December 2015

	Note	Original/ Final Budget MUR	Actual Amount MUR
GENERAL INSURANCE ACCOUNT			
REVENUE			
Insurance premium	26(i)	180,000,000	200,522,630
Interest Receivable	26(ii)	100,000,000	95,898,928
Dividend Income	26(iii)	30,000,000	25,502,618
Share of profit of Associate	26(iv)	–	92,832,800
Exchange gains	26(v)	10,000,000	108,379,438
Profit on sale of AFS Securities & PPE	26(vi)	40,000,000	3,880,230
Other Revenue		1,000,000	423,129
TOTAL REVENUE		361,000,000	527,439,773
EXPENSES			
General Insurance Compensation	26(vii)	–	406,904,000
Special Assistance to Insureds (*)	26(viii)	–	414,659,158
Discount on General Premium (*)	26(viii)	–	200,550,000
Administrative Expenses	26(ix)	109,785,000	124,159,469
Other Losses		–	569,453
TOTAL EXPENSES		109,785,000	1,146,842,080
Surplus/(Deficit) to General Fund for the year		251,215,000	(619,402,307)
FIRE INSURANCE ACCOUNT			
REVENUE			
Insurance premium	26(x)	5,300,000	7,412,000
TOTAL REVENUE		5,300,000	7,412,000
EXPENSES			
Insurance compensation		8,100,000	7,226,480
TOTAL EXPENSES		8,100,000	7,226,480
(Deficit)/Surplus to Fire Fund for the year		(2,800,000)	185,520
Total Surplus/(Deficit) for the year		248,415,000	(619,216,787)

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

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

(*) Special Assistance to Insureds / Discount on General Premium

The assistance to Insureds and discount on General Premium for Crop 2015 as recommended by the Consulting Actuary in October 2014, was subject to the fulfilment of certain conditions at 31 December 2015, which have eventually been met.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

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). Its registered office is situated at 18, Sir Seewoosagur Ramgoolam Street, Port-Louis, Mauritius 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. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out hereafter. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Sugar Insurance Fund Board have been prepared in accordance with the Statutory Bodies (Accounts and Audit) Act and in line with International Financial Reporting Standards (IFRSs). The comparative figures for the previous reporting period were also prepared in compliance with IFRSs and are therefore fully comparable.

The financial statements have been consolidated to include the state of affairs and results of the Fund’s associate and are prepared under the historical cost convention, except that:

- (i) Land and buildings are carried out at revalued amounts;
- (ii) investments properties are stated at fair value;
- (iii) available-for-sale financial assets are stated at their fair value; and
- (iv) held-to-maturity investments are carried at amortised cost.

For Financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.2 Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1st January 2016 or later periods, which the Fund has not early adopted. At the reporting date of these financial statements, the following were in issue but not yet effective:

- Annual Improvements to IFRSs 2012-2014 cycle¹
 - (i) *Amendments to IFRS 5: Changes in methods of disposal*
 - (ii) *Amendments to IAS 34: Disclosure of information “elsewhere in the interim financial reporting”*
 - (iii) *Amendments to IFRS 7: Servicing contracts*
 - (iv) *Amendments to IFRS 7: Condensed interim financial statements*
 - (v) *Amendments to IAS 19: Regional market issues*

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

- Amendments to IAS 1: Presentation of Financial Statements¹
Resulting from Disclosure initiative.
- Amendments to IAS 16: Property, Plant and Equipment¹
 - (i) *Clarification of Acceptable Methods of Depreciation and Amortisation.*
 - (ii) *Bringing bearer plants into the scope IAS 16.*
- Amendments to IAS 19: Employee Benefits¹
 - (i) *Clarify the requirements that relate to how contributions from employees or third parties are linked to service should be attributed to periods of service.*
 - (ii) *Resulting from September 2014 Annual Improvements to IFRSs*
- Amendments to IAS 27: Separate Financial Statements¹
Reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.
- Amendments to IAS 28: Investments in Associates and Joint Ventures¹
 - (i) *Sale or contribution of assets between an investor and its associate or joint venture.*
 - (ii) *Application of the consolidated exception.*
- Amendments to IAS 38: Intangible Assets¹
Clarification of Acceptable Methods of Depreciation and Amortisation.
- Amendments to IAS 41: Agriculture¹
Bringing bearer plants into the scope IAS 16.
- IFRS 9: Financial Instruments³
- Amendments to IFRS 10: Consolidated Financial Statements¹
- Amendments to IFRS 11: Joint Arrangements¹
Accounting for Acquisitions of Interests in Joint Operations.
- Amendments to IFRS 12: Disclosure of Interests in Other Entities¹
Application of the consolidated exception.
- IFRS 14: Regulatory Deferral Accounts¹
- IFRS 15: Revenue from contracts with customers²

Where relevant, the Fund is still evaluating the effect of these Standards. However the Directors anticipate that adoption of these Standards in future will have no material impact on the financial statements of the Fund.

1 - effective for annual periods beginning on or after 1st January 2016

2 - effective for annual periods beginning on or after 1st January 2017

3 - effective for annual periods beginning on or after 1st January 2018

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Application of New and Revised International Financial Reporting Standards (IFRSs).

In the current year, the Fund has applied the following amendments to IFRSs issued by the International Accounting Standards Boards (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

a) *Annual Improvements 2010-2012 Cycle*

(i) *Amendment to IFRS 2*

IFRS 2, 'Share based payments' is amended to clarify the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. The amendment has no impact on the Fund's financial statements.

(ii) *Amendment to IFRS 3*

IFRS 3, 'Business combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss. The amendment has no impact on the Fund's financial statements.

(iii) *Amendment to IFRS 8*

IFRS 8, 'Operating segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendment has no impact on the Fund's financial statements.

(iv) *Amendment to IFRS 13*

IFRS 13, 'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has no impact on the Fund's financial statements.

(v) *Amendment to IAS 16 and IAS 38*

IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The amendment has no impact on the Fund's financial statements.

(vi) *Amendment to IAS 24*

IAS 24, 'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. The amendment has no impact on the Fund's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Application of New and Revised International Financial Reporting Standards (IFRSs) (cont'd).

(b) Annual Improvements 2011-2013 Cycle

(i) Amendment to IFRS 1

IFRS 1, 'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment has no impact on the Fund's financial statements, since the Fund is an existing IFRS preparer.

(ii) Amendment to IFRS 3

IFRS 3, 'Business combinations' is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. The amendment has no impact on the Fund's financial statements.

(iii) Amendment to IFRS 13

IFRS 13, 'Fair value measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The amendment has no impact on the Fund's financial statements.

(iv) Amendment to IAS 40

IAS 40, 'Investment property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. The amendment has no impact on the Fund's financial statements.

2.4 Basis of consolidation

The financial statements have been consolidated to 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 Comprehensive Income, 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

2. ACCOUNTING POLICIES (CONT'D)

2.5 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 16.75 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.

2.6 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 end of reporting period 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 Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

2. ACCOUNTING POLICIES (CONT'D)

2.7 Property, plant and equipment

Property, plant and equipment held for administrative purposes are stated in the statement of financial position at their revalued amounts, 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 Comprehensive Income.

Any 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 or 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.

Freehold land is not depreciated

2.8 Intangible Assets acquired

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss (if any). Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at each end of reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less impairment losses and are not subject to any amortisation.

An Intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or on disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

2. ACCOUNTING POLICIES (CONT'D)**2.9 Impairment of tangible and intangible assets**

At each end of the reporting period, 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 Comprehensive Income, 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 Comprehensive Income, 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.

2.10 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 at end of reporting period, representing open-market value determined by external valuers. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. The property being bare land, do not generate any rental income.

2.11 Non-current Asset held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of carrying value or fair value net of associated cost to sell.

2.12 Foreign currencies

The financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (functional currency). The results and financial position of the Fund are expressed in Mauritian rupees, which is Fund's functional and presentation currency.

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in such currencies are retranslated 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. Profits and losses arising on exchange are included in the profit or loss for the year. Translation of non monetary items, such as equities classified as available-for-sale financial assets is accumulated in the investments revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

3. ACCOUNTING POLICIES (CONT'D)

2.13 Insurance compensation

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

2.14 Cash and cash equivalents

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

2.15 Provision/Contingent Liabilities

(a) Provision

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.

2.16 Retirement benefit obligations

(i) Defined Benefit Plan

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by the Pension Fund Manager (SICOM Ltd) using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Re-measurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Fund determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss. Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements (if any) are recognised immediately in profit or loss. The defined benefit plan is closed for new entrants and any employee joining the Fund on a permanent and pensionable service will join a defined contribution plan.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

2. ACCOUNTING POLICIES (CONT'D)

2.16 Retirement benefit obligations (cont'd)

(ii) *Defined Contribution Plan*

A defined contribution plan is a pension plan under which the Fund pays fixed contributions and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitled them to the contributions.

(iii) *State Plan*

Contribution to the National Pension Scheme are expensed to profit or loss in the period in which they fall due.

2.17 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Fund has become party to the contractual provisions of the financial instruments. Financial Assets are initially measured at fair value, plus transaction costs. Financial assets are classified into the following specified categories: “held-to-maturity” investments, “available-for-sale” 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.

a) *Financial Assets*

(i) *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.

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.

(ii) *Available-for-sale (AFS) financial assets*

Quoted AFS Financial Assets

Listed and Quoted 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 accumulated in the investments revaluation reserve until the security is disposed of or is determined to be impaired at which time the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. Impairment losses recognised in profit or loss for securities classified as available-for-sale is not subsequently reversed through profit or loss.

Unquoted Available For Sale Investments

Unquoted available-for-sale investments for which reliable fair values cannot be obtained are stated at cost. Investments of the Fund in unquoted available-for-sale investments are generally in the form of shares. The fair value of these financial instruments cannot be measured reliably as there is no specific market for the exchange/sale of these instruments.

Available-for-sale financial assets are included in non-current assets unless Management intends to dispose the investments within twelve months of the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

2. ACCOUNTING POLICIES (CONT'D)**2.17 Financial instruments (cont'd)***(iii) Loans and receivables*

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. 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 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.

For shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

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
- high probability 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, where the carrying amount is reduced 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 to the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 profit or loss 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 profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

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 asset and substantially all the risks and rewards of ownership of the asset to another entity.

(b) Financial liabilities

Financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Subsequently they are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

2. ACCOUNTING POLICIES (CONT'D)

2.17 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Fund derecognises financial liabilities only when its share of obligations are discharged, cancelled or expired.

3. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRSs 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.

4. PROPERTY, PLANT AND EQUIPMENT

The Fund's Property, Plant and Equipment include freehold/leasehold land and buildings that were revalued in December 2012 by Alan Tinkler, Ramlackhan & Co. (Principal – Rhoy Ramlackhan, BSc (Hons), M.R.I.C.S., M.M.I.S. Chartered Valuation Surveyor).

Had Freehold Land and Buildings been valued at historic amount, the carrying value would have been as follows:

	Cost	Accumulated depreciation	Net book value
At 31 December 2014	MUR	MUR	MUR
Freehold Land	3,996,388	–	3,996,388
Buildings	39,802,301	(21,372,788)	18,429,513
	<u>43,798,689</u>	<u>(21,372,788)</u>	<u>22,425,901</u>
At 31 December 2015	Cost MUR	Accumulated depreciation MUR	Net book value MUR
Freehold Land	3,996,388	–	3,996,388
Buildings	39,866,701	(22,170,122)	17,696,579
	<u>43,863,089</u>	<u>(22,170,122)</u>	<u>21,692,967</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

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

	Freehold/ Leasehold Land MUR	Buildings MUR	Improvement to Land and Buildings MUR	Furniture & Other Equipment MUR	Motor Vehicles MUR	Computer Equipment MUR	Total MUR
COST AND VALUATION							
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
Transfer to Investment Property held for sale	(6,197,000)	(5,300,000)	–	–	–	–	(11,497,000)
Transfer to Intangible Assets	–	–	–	–	–	(6,188,915)	(6,188,915)
Additions	–	–	–	304,143	–	2,798,328	3,102,471
Disposals	–	–	–	–	(1,600,000)	(88,329)	(1,688,329)
At 31 December 2014	53,183,000	71,650,000	6,801,873	14,711,445	2,889,950	21,489,896	170,726,164
Additions	–	64,400	–	85,150	–	3,301,282	3,450,832
Disposals	–	–	–	–	(1,823,500)	(30,647)	(1,854,147)
At 31 December 2015	53,183,000	71,714,400	6,801,873	14,796,595	1,066,450	24,760,531	172,322,849
DEPRECIATION							
At 31 December 2013	–	6,895,351	3,398,614	11,836,507	3,120,681	16,118,906	41,370,059
Transfer to Intangible Assets	–	–	–	–	–	(2,518,731)	(2,518,731)
Charge for the year	–	3,027,675	596,330	317,110	577,990	2,799,943	7,319,048
Disposals	–	–	–	–	(1,600,000)	(17,666)	(1,617,666)
Eliminated on transfer to Investment Property held for sale	–	(840,000)	–	–	–	–	(840,000)
At 31 December 2014	–	9,083,026	3,994,944	12,153,617	2,098,671	16,382,452	43,712,710
Charge for the year	–	3,030,060	584,670	321,119	213,290	2,825,695	6,974,834
Disposals	–	–	–	–	(1,458,800)	–	(1,458,800)
At 31 December 2015	–	12,113,086	4,579,614	12,474,736	853,161	19,208,147	49,228,744
NET BOOK VALUE							
At 31 December 2015	53,183,000	59,601,314	2,222,259	2,321,859	213,289	5,552,384	123,094,105
At 31 December 2014	53,183,000	62,566,974	2,806,929	2,557,828	791,279	5,107,444	127,013,454

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

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

Details of the Fund's buildings and freehold/leasehold land measured at fair value and information about the fair value hierarchy as at 31 December are as follows:

	Level 3	
	31 December 2015 MUR	31 December 2014 MUR
Freehold Land	51,403,000	51,403,000
Leasehold Land	1,780,000	1,780,000
Buildings	59,601,314	62,566,974
	112,784,314	115,749,974
<i>Reconciliation:</i>		
		MUR
Opening balance at 1 st January 2015		115,749,974
Addition		64,400
Depreciation charge for the year		(3,030,060)
Balance at end of reporting period		112,784,314

(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.
- (b) 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, outgoing or restrictions;
- (c) The properties are occupied and used in accordance with all requisite consents;
- (d) There are no outstanding statutory notices;
- (e) The building contains no deleterious materials and sites are unaffected by adverse soil conditions;
- (f) There is no potential contamination from uses of the properties or sites adjacent to the subject properties.

5. INTANGIBLE ASSETS – COMPUTER SOFTWARE

	2015 MUR	2014 MUR
<u>Cost</u>		
At 1 January	6,188,915	5,101,985
Additions	2,752,063	1,086,930
At 31 December	8,940,976	6,188,915
<u>Amortisation</u>		
At 1 January	3,756,514	2,518,731
Charge for the year	1,744,288	1,237,783
At 31 December	5,500,802	3,756,514
Carrying value at year end	3,440,176	2,432,401

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

6. INVESTMENTS IN SECURITIES AND DEPOSITS

	----- Available-For-Sale Financial Assets -----			Held-To-Maturity Securities and Deposits	Total
	Local Quoted Securities MUR	Local Unquoted Securities MUR	Foreign Equities/ Funds/ Bonds MUR	MUR	MUR
AT FAIR VALUE					
At 1 January 2015	961,845,770	14,114,770	424,801,041	1,890,989,306	3,291,750,886
Additions	61,134,681	–	–	297,070,000	358,204,681
Disposals/Matured/Redeemed	(3,570,000)	–	(61,977,462)	(1,074,811,680)	(1,140,359,142)
Interest capitalised/ receivable	–	–	–	31,645,013	31,645,013
Impairment Loss	–	(300,000)	–	–	(300,000)
Increase/(Decrease) in fair value	(84,900,385)	(1,490,811)	43,090,297	1,071,900	(42,228,999)
At 31 December 2015	934,510,066	12,323,959	405,913,876	1,145,964,539	2,498,712,440
Classified as:					
- Short term	–	–	–	915,373,124	915,373,124
- Long term	934,510,066	12,323,959	405,913,876	230,591,415	1,583,339,316
	934,510,066	12,323,959	405,913,876	1,145,964,539	2,498,712,439
AT COST					
At 31 December 2015	519,941,452	2,151,155	224,827,720	1,113,247,626	1,860,167,953
At 31 December 2014	520,194,039	2,151,155	290,772,967	1,890,989,306	2,704,107,467

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

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 MUR11.92 Million at 31 December 2015, based on the last available equity value (30 June 2015) of the trust. Investments in The MFL Fund, which is an open-ended Fund, are stated at market value at MUR 1.35 Million at 31 December 2015.

Foreign Equities /Funds /Bonds

Investments in foreign equities/ funds/ bonds, include 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, IOST Perpetual Bonds and are stated at market value based on the exchange rate ruling at the end of reporting period.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable (levels defined in section 2.1):

	Year 2015			
	<u>Level 1</u> MUR	<u>Level 2</u> MUR	<u>Level 3</u> MUR	<u>Total</u> MUR
Available-for-sale financial assets	934,510,066	405,913,876	12,323,959	1,352,747,902
	Year 2014			
	<u>Level 1</u> MUR	<u>Level 2</u> MUR	<u>Level 3</u> MUR	<u>Total</u> MUR
Available-for-sale financial assets	961,845,769	424,801,041	14,114,770	1,400,761,581

(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 3.75 to 6.00 % per annum and mature between January 2016 and April 2020 and comprise of:

	<u>31 December</u> <u>2015</u> MUR	<u>31 December</u> <u>2014</u> MUR
Deposits	1,093,645,013	1,874,811,680
Fixed Maturity Unquoted Bonds	52,319,526	16,177,626
	<u>1,145,964,539</u>	<u>1,890,989,306</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

7. INVESTMENT IN ASSOCIATE

The Fund holds 20% of the ordinary share capital of SICOM Group and is represented on its Board of Directors. SICOM Group has a financial year starting on 1 July and ending on the subsequent 30 June.

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

	31 December 2015 MUR	31 December 2014 MUR
Total Assets	18,153,028,000	18,323,483,000
Total Liabilities	13,281,016,000	13,824,608,000
Total profit for the year	464,164,000	435,998,000
Share of profit	92,832,800	87,199,600
Share of net assets	973,459,502	898,845,804

8. INVESTMENT PROPERTY

At start of year	55,000,000	55,000,000
Gain on revaluation	3,000,000	—
At end of year	58,000,000	55,000,000

Investment property relates to two contiguous portion of bare lands for a total extent of 1,192.83m² at Mere Barthelemy Street Port Louis, which was last revalued in February 2016 by Broll Indian Ocean (Principal - Rhoy Ramlackhan, B.Sc (Hons)., M.R.I.C.S, M.M.I.S. Chartered Valuation Surveyor). The Sales Comparison Approach has been used to estimate the value of this property.

The fair value hierarchy is as follows:

	<u>Level 3</u>	
	31 December 2015 MUR	31 December 2014 MUR
Land	58,000,000	55,000,000

9. LONG TERM LOANS

		31 December 2015 MUR	31 December 2014 MUR
Motor Vehicles Loans	(i)	8,527,844	9,852,927
Other Loans	(iii)	228,375	525,483
		8,756,219	10,378,410

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

9. LONG TERM LOANS (CONT'D)

(i) Motor Vehicles Loans (staff)

	31 December 2015 MUR	31 December 2014 MUR
Total amount	11,155,864	11,912,646
Deduct: Amount falling due within one year (Note 10)	(2,628,020)	(2,059,719)
Amount falling due after more than one year	8,527,844	9,852,927

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 2015 MUR	31 December 2014 MUR
Total amount due	10,400	10,400
Deduct: Amount falling due within one year (Note 10)	(10,400)	(10,400)
Amount falling due after more than one year	—	—

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

(iii) Other Loans (staff)

	31 December 2015 MUR	31 December 2014 MUR
Total amount due	388,687	757,260
Deduct: Amount falling due within one year (Note 10)	(160,312)	(231,777)
Amount falling due more than one year	228,375	525,483

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.

10. ACCOUNTS RECEIVABLE/ PREPAYMENTS

	31 December 2015 MUR	31 December 2014 MUR
Other loans (Note 9(iii))	160,312	231,777
Motor vehicles loans (Note 9(i))	2,628,020	2,059,719
Personal loans (Note 9(ii))	10,400	10,400
Interest receivable	4,919,798	4,139,044
Debtors insurance premium receivable	14,928	14,928
Dividends receivable	2,151,349	3,147,897
Other receivables/Prepayments	435,719	1,487,207
	10,320,526	11,090,973

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

11. AMOUNT CLASSIFIED AS HELD FOR SALE (INVESTMENT PROPERTY)

	31 December 2015 MUR	31 December 2014 MUR
At the start of year	9,600,000	—
Transfer from Freehold Land & Buildings	—	10,657,000
Adjustment for stone wall	—	(250,000)
Carrying value	9,600,000	10,407,000
Fair value gain/(loss)	900,000	(807,000)
At end of year	10,500,000	9,600,000

- (i) The property relates to Freehold Land of 3,069.97 square metres along with a two storeyed building situated at Quartier Militaire which was last revalued in February 2016 by Broll Indian Ocean (Principal - Rhoy Ramlackhan, B.Sc (Hons), M.R.I.C.S, M.M.I.S. Chartered Valuation Surveyor). The Sales Comparison Approach has been used for the land element and the Depreciated Replacement Cost Approach used for the building and structure standing thereon.
- (ii) This property which previously housed the Quartier Militaire Sub-Office, is no longer required for administrative purposes. The Board has decided to disposed-of it within the next financial year through open bidding or negotiations.

The fair value hierarchy is as follows:

	31 December 2015 MUR	<u>Level 3</u> 31 December 2014 MUR
Land & Buildings	10,500,000	9,600,000

The Fund is firmly committed to dispose this property within the next financial year.

12. SHORT TERM LOANS

	31 December 2015 MUR	31 December 2014 MUR
Loans to Mauritius Sugar Syndicate - (MSS)	7,412,000	440,047,388
	7,412,000	440,047,388

Loans to MSS relate to Fire Premium Crop 2015 advanced to MSS for a period of 2 months at an interest rate of 2.90% p.a.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

13. CASH AND CASH EQUIVALENT

	31 December 2015	31 December 2014
	MUR	MUR
Foreign Currency deposits with banks:		
USD	420,495,350	479,313,358
EURO	1,359,486,836	1,176,567,368
GBP	32,559,510	29,611,391
Deposits on call at banks – MUR	62,129,286	39,730,041
Bank and Cash Balances	7,179,811	10,252,997
	1,881,850,793	1,735,475,155

14. ACCOUNTS PAYABLE

Assistance to Insureds	413,745,000	900,000,000
Provision for General Insurance Compensation (*)	406,904,000	–
Provision for Fire Insurance Compensation	7,150,000	4,503,680
Accruals	7,083,280	2,770,088
Provision for passage benefits (note 16)	2,100,000	2,000,000
Others	108,129	134,653
	837,090,409	909,408,421

(*) The crop reduction for Enlarged Factory Areas (EFAs) of Alteo and Omnicane being above the Statutory threshold of 17%, an event year for these EFAs are declarable under law.

15. EMPLOYEES BENEFITS

	31 December 2015	31 December 2014
	MUR	MUR
At 1 January	44,738,735	44,005,095
Charge for the year	4,782,515	4,579,732
	49,521,250	48,584,827
Less: Payment during the year	(4,279,975)	(3,846,092)
At 31 December	45,241,275	44,738,735
Classified as:		
Long Term	40,545,012	39,011,227
Short Term	4,696,263	5,727,508

16. PROVISION FOR STAFF PASSAGE BENEFITS

At 1 January	6,961,723	7,117,393
Payment during the year	(2,056,762)	(2,447,991)
Provision for the year	2,317,677	2,292,321
	7,222,638	6,961,723
Less: Amount due within one year (Note 14)	(2,100,000)	(2,000,000)
At 31 December	5,122,638	4,961,723

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

17. RETIREMENT BENEFIT OBLIGATIONS

Provision for retirement benefits for the SIFB staff are made under the Statutory Bodies Pension Act 1978 as amended. The pension plan is a final salary defined benefit plan for employees and is wholly funded by the employer and the employees. The assets of the funded plan are held independently and are administered by the State Insurance Company of Mauritius Ltd (SICOM Ltd).

The following employee benefits information is based on the report submitted by SICOM in line with IAS 19.

(i) Amounts recognised in statement of financial position:

	31 December 2015 MUR	31 December 2014 MUR
Defined benefit obligation	727,804,418	677,619,115
Fair value of plan assets	(559,172,301)	(298,461,467)
Liability recognised in statement of financial position	168,632,117	379,157,648

(ii) Amounts recognised in statement of Profit or Loss:

Current service cost	7,126,083	6,965,121
Employee Contributions *	(2,851,218)	(3,315,582)
Fund Expenses	182,890	269,558
Net Interest expense	18,685,532	29,721,933
Profit & Loss Charge	23,143,287	33,641,030

* An amount of Rs 281,440, representing Employee's share of pension contribution for the month of December 2015 was remitted to SICOM Ltd after year end and was thus not included in this figure.

(iii) Amount recognised in Other Comprehensive Income:

Liability experience (gain) / Loss	39,651,047	(6,734,888)
Assets experience (gain) / Loss	31,459,513	6,987,553
Total Other Comprehensive Income (OCI) recognised	71,110,560	252,665

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

	31 December 2015 MUR	31 December 2014 MUR
At start of year	379,157,648	354,045,722
Amount recognised in Profit & Loss	23,143,287	33,641,030
Special contribution paid by employer	(296,200,000)	—
Contributions paid by employer *	(8,579,378)	(8,781,769)
Amount recognised in Other Comprehensive Income	71,110,560	252,665
At end of year	168,632,117	379,157,648

* An amount of Rs 853,659, representing the Board's share of pension contribution for the month of December 2015 was remitted to SICOM Ltd after year end and was thus not included in this figure.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

	31 December 2015 MUR	31 December 2014 MUR
Present value of obligation at start of period	677,619,115	670,531,072
Current service cost	7,126,083	6,965,121
Interest cost	50,821,434	53,642,486
Benefits paid	(47,413,261)	(46,784,676)
Liability (gain)/ loss	39,651,047	(6,734,888)
Present value of obligation at end of period	727,804,418	677,619,115

(vi) Reconciliation of fair value of plan assets:

Fair value of plan assets at start of period	298,461,467	316,485,350
Expected return on plan assets	32,135,902	23,920,553
Employer contributions	8,579,378	8,781,769
Employer special Contribution	296,200,000	-
Employee contributions	2,851,218	3,315,582
Benefits paid + other outgo	(47,596,151)	(47,054,234)
Asset gain/(loss)	(31,459,513)	(6,987,553)
Fair value of plan assets at end of period	559,172,301	298,461,467

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

	% of fair value of total plan assets 31 December 2015	31 December 2014
Percentage of assets at end of year		
Government securities and cash	58.1	57.1
Loans	4.3	4.1
Local equities	15.9	21.1
Overseas equities and bonds	21.0	17.0
Property	0.7	0.7
Total	100.0	100.0

(viii) Actual Return on plan assets:

	31 December 2015 MUR	31 December 2014 MUR
Actual Return on plan assets	678,883	16,933,000

(ix) Weighted average duration of the defined benefit obligation (Calculated as a % change in PV of liabilities for a 1% change in discount rate) : 12 years

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

- (x) Additional disclosure on assets issued or used by the reporting:

At the end of the year 2015, assets were neither held in entity's own financial instruments nor were property and other assets occupied or used by the entity.

- (xi) Expected Employer's contributions for the year ending 31 Dec 2016: **Rs. 9,944,613.**

- (xii) The plan is exposed to actuarial risks such as: Investment risk, Interest rate risk, mortality and longevity risk and salary risk.

- (xiii) The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	31 December 2015 %	31 December 2014 %
Discount rate	7.50	8.00
Future salary increases	5.00	5.50
Future pension increases	3.00	3.50
Mortality before retirement	A 6770 Ultimate Tables	
Mortality in retirement	PA (90) rated down by 2 years	PA (90) Tables
Retirement age	As per Schedule II in the Statutory Bodies Pension Funds Act	

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

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

- If the discount rate would be 100 basis points (1%) higher (lower), the defined benefit obligation would decrease by Rs 75.2M (increase by Rs 90.5M) if all other assumptions were held unchanged.
- If the expected salary would increase (decrease) by 100 basis points, the defined benefit obligation would increase by Rs 24.7M (decrease by Rs 21.8M) if all assumptions were held unchanged.
- If life expectation would increase (decrease) by one year, the defined benefit obligation would increase by Rs 17.7M (decrease by Rs 17.8M) if all assumptions were held unchanged.
- In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(xv) Five year summary – Experience adjustment

Amounts recognised in statement of financial position:

	31 December 2015	31 December 2014	31 December 2013 (Restated)	31 December 2012 (Restated)	31 December 2011
	MUR	MUR	MUR	MUR	MUR
Present value of funded obligation	727,804,418	677,619,115	670,531,072	485,944,924	465,994,150
Fair value of plan assets	(559,172,301)	(298,461,467)	(316,485,350)	(374,967,115)	(355,355,118)
	168,632,117	379,157,648	354,045,722	110,977,809	110,639,032
Unrecognised actuarial (loss)/gain	–	–	–	–	757,819
Liability in statement of financial position	168,632,117	379,157,648	354,045,722	110,977,809	111,396,851

Reconciliation of the present value of defined benefit obligation:

	Year ended 31 December 2015	Year ended 31 December 2014	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	MUR	MUR	MUR	MUR	MUR
Present value of obligation at start of period	677,619,115	670,531,072	485,944,924	465,994,150	454,942,323
Current service cost	7,126,083	6,965,121	6,753,249	9,513,318	9,387,011
Interest cost	50,821,434	53,642,486	38,875,594	46,599,415	47,768,944
Benefits paid	(47,413,261)	(46,784,676)	(109,261,844)	(23,544,202)	(22,998,852)
Liability (gain)/ loss	39,651,047	(6,734,888)	248,219,149	(12,617,757)	(23,105,276)
Present value of obligation at end of period	727,804,418	677,619,115	670,531,072	485,944,924	465,994,150

Reconciliation of fair value of plan assets:

	Year ended 31 December 2015	Year ended 31 December 2014	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	MUR	MUR	MUR	MUR	MUR
Fair value of plan assets at start of period	298,461,467	316,485,350	374,967,115	355,355,118	352,496,541
Expected return on plan assets	32,135,902	23,920,553	26,259,508	35,120,475	36,692,826
Employer contributions	8,579,378	8,781,769	11,671,085	11,226,624	12,975,577
Employer Special Contribution	296,200,000	–	–	–	–
Employee contributions	2,851,218	3,315,582	4,401,379	4,243,806	4,318,570
Actuarial Reserves transferred in	–	–	–	–	–
Benefits paid + other outgo	(47,596,151)	(47,054,234)	(109,519,004)	(23,771,174)	(23,376,249)
Asset gain/(loss)	(31,459,513)	(6,987,553)	8,705,267	(7,207,734)	(27,752,147)
Fair value of plan assets at end of period	559,172,301	298,461,467	316,485,350	374,967,115	355,355,118

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

18. INVESTMENT INCOME

	31 December 2015 MUR	31 December 2014 MUR
Interest Income on:		
<i>Held to maturities securities/ deposits</i>	64,004,192	98,514,390
<i>Cash and cash equivalent</i>	14,704,913	18,842,714
<i>Loans & receivables</i>	7,115,550	7,706,155
<i>Available-for-sale securities</i>	10,074,273	7,649,577
Total Interest Income	95,898,928	132,712,836
Dividends	25,502,618	34,078,935
	121,401,546	166,791,771

19(a) EXCHANGE AND OTHER GAINS

Gains on translation of foreign currency deposits	103,407,538	—
Gains on revaluation of investment properties	3,900,000	—
Gains on held to maturity securities	1,071,900	—
	108,379,438	—

19(b) EXCHANGE AND OTHER LOSSES

Loss on translation of foreign currency deposits	—	35,287,743
Loss on revaluation of investment properties	—	807,000
Fair value loss on securities	269,453	1,175,470
Impairment loss on local unquoted securities	300,000	200,000
	569,453	37,470,213

20. PROFIT ON SALE OF AFS SECURITIES & PPE

Profit on sale of AFS Securities	3,636,804	86,635,709
Profit on sale of PPE	243,426	532,817
	3,880,230	87,168,526

21. GENERAL INSURANCE COMPENSATION

The crop reduction percentages (CR%) for Enlarged Factory Areas (EFAs) of Alteo (CR19%) and Omnicane (CR19%) being above the Statutory threshold of 17%, an event year for these EFAs are declarable under law.

22. SPECIAL ASSISTANCE TO INSURED

As per recommendation of the consulting Actuary in the last Actuarial Review (adopted by the Board in October 2014), the conditions for payment of a financial assistance of MUR2,000 per tonne of sugar accrued or part thereof to all other categories of Insureds, net of any General Compensation payable for Crop 2015 in the form of a one-off compensation for a substantial fall in sugar price have been met. Further to Government approval, a provision of some MUR413.75M has been made.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

23. DISCOUNT ON GENERAL PREMIUM CROP 2015 (100%)

General Premium for Crop 2015 has been discounted at 100% as per recommendation of the Consulting Actuary in its 2014 review (adopted by the Board in October 2014) further to the conditions having been met and Government approval obtained in April 2016.

24. ADMINISTRATIVE EXPENSES

	31 December 2015 MUR	31 December 2014 MUR
Included in administrative expenses are:		
Staff costs	93,716,185	102,589,441
Provision for Employees Benefits	4,782,515	4,579,732
Depreciation	6,974,834	7,319,048
Amortisation of Intangible Assets	1,744,288	1,237,783
Directors fees	3,015,847	578,188
Auditors' remuneration	275,000	275,000

25. REINSURANCE PREMIUM

Having regards to its ability to muster maximum probable losses and in view of hardening crop reinsurance market, the Board since the year 2012 decided to bear the full insurance risks.

26. BUDGET COMPARED TO ACTUAL

(i) General Insurance Premium

The General Insurance Premium crop 2015 was budgeted based among others on

- (1) a sugar price of MUR 12,500 per metric tonne and
- (2) a total insurable sugar (TIS) of 430,000 metric tonnes.

The final weighted average sugar price for insurance purposes was determined at MUR 13,735 per metric tonne and a TIS of 442,596 metric tonnes.

(ii) Interest Receivable

Interest yields on foreign currency deposits fell to very negligible levels during the year.

(iii) Dividend Receivable

Dividend Receivable decreased due to the disposal of part of the Fund's holding on the local stock market in November/December 2014.

(iv) Share of Profit in Associate

The Fund's Budget for the year 2015 was not consolidated to include the expected performance of its Associate (SICOM Ltd).

(v) Exchange and other gains

Exchange gains is a result of translation of short term deposits mainly held in Euro and USD at a spot rate higher than that of the previous reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

(vi) Profit on sale of AFS Securities

Disposal of AFS Securities to partly finance the Crop 2015 financial assistance to insureds will be undertaken in the next reporting period.

(vii) General Insurance Compensation

At the time of Budgeting, Crop 2015 was expected to be non-event year, the more so that the new insurance terms for Crop 2015 were yet to be implemented.

(viii) Special Assistance to Insureds / Discount on General Insurance Premium

The assistance to Insureds and discount on General Insurance Premium for Crop 2015 as recommended by the Consulting Actuary in October 2014, was subject to the fulfilment of certain conditions at 31 December 2015, which have eventually been met.

(ix) Administrative Expenses

Included in Administrative Expenses is retirement benefit obligation charged (MUR 14.56M) and determined by SICOM Ltd, the Pension Fund Manager after an actuarial evaluation of the Staff Pension Fund at year end.

(x) Fire Insurance Premium

The rate of Fire Insurance Premium as from Crop 2014 was revised from MUR 12.50 per metric tonne to MUR 16.75 per metric tonne as per recommendation of the Consulting Actuary in October 2014.

27. CAPITAL COMMITMENTS

At end of reporting period, the Fund had entered into contract for implementation of an Electronic Document Management & Records System for a sum of MUR4,033,339, out of which, 25% has already been disbursed.

28. RELATED PARTY TRANSACTIONS

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

	31 December 2015 MUR	31 December 2014 MUR
(a) Outstanding balances		
Loans advanced to key management personnel under condition of service	298,666	426,666
(b) Transactions with entity under common directorship		
(i) Short Term Loans	7,412,000	440,047,388
(ii) Deposits with financial institutions	635,039,226	—
(iii) AFS securities	225,190,605	—

Transactions with entity under common directorship represent:

- (i) Loans granted to the Mauritius Sugar Syndicate
- (ii) Deposits with SBM Bank (Mauritius) Ltd and MauBank Ltd
- (iii) Investment in Foreign Funds via SBM Mauritius Asset Managers Ltd and investment in Local Quoted Securities of SBM Bank (Mauritius) Ltd.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

28. RELATED PARTY TRANSACTIONS (CONT'D)

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

	31 December 2015 MUR	31 December 2014 MUR
<i>(c) Compensation of key management personnel:</i>		
- Short term benefits	3,975,651	4,380,853
- Post-employment benefits contribution	611,609	668,052
- Other benefits	1,058,162	1,136,335
	<u>5,645,422</u>	<u>6,185,240</u>

(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 was contracted with the Associate 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.

29. FINANCIAL INSTRUMENTS

29.1 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 2.15 to the financial statements.

29.2 Categories of financial instruments

Financial assets

	31 December 2015 MUR	31 December 2014 MUR
- Held to maturity investments	1,145,964,539	1,890,989,306
- Loans and Receivables (including cash & Cash Equivalents and excluding prepayments)	1,907,909,819	2,196,023,268
- Available for sale financial assets	1,352,747,902	1,400,761,581
	<u>4,406,622,260</u>	<u>5,487,774,155</u>

Financial liabilities

Liabilities	<u>1,055,827,688</u>	<u>1,338,266,526</u>
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

29. FINANCIAL INSTRUMENTS (CONT'D)

29.3 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

Currency	Financial Assets 2015 MUR	Financial Liabilities 2015 MUR	Financial Assets 2014 MUR	Financial Liabilities 2014 MUR
Mauritian Rupees	2,119,941,930	1,055,827,688	3,366,527,862	1,338,266,526
United States Dollars	738,656,313	—	794,115,592	—
Euro	1,515,429,855	—	1,297,487,715	—
British Pounds	32,594,162	—	29,642,986	—
	4,406,622,260	1,055,827,688	5,487,774,155	1,338,266,526

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 2015 MUR	31 December 2014 MUR
Profit or loss in statement of financial position	4,568,543	4,804,345
Revaluation Reserve in statement of financial position	2,818,020	3,136,810

(b) EURO Impact

	13,723,586	11,887,785
Profit or loss in statement of financial position	1,430,713	1,087,092
Revaluation Reserve in statement of financial position		

The above is mainly attributable to:

- (i) available-for-sale securities
- (ii) short term deposits
- (iii) held to maturity securities

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

29. FINANCIAL INSTRUMENTS (CONT'D)

29.3 Financial risk management (cont'd)

- 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 796,000 on the Fund's interest receivable.

The interest rate profile of the financial assets of the Fund was:-

Financial assets	Currency	Fixed Interest rate (%)		Floating Interest rate (%)	
		2015	2014	2015	2014
Bank Deposits	MUR		-	0.00 - 3.50	3.25 - 3.90
Loan to MSS	MUR	3.20	3.75	-	-
Fixed deposits	MUR	3.75 - 6.00	4.75 - 6.50	4.35 - 4.75	5.15 - 5.25
Short term deposits	GBP	1.50	1.50	-	-
Fixed deposits	USD	0.80 - 1.75	0.834 - 2.500	-	-
Fixed deposits	EUR	0.15 - 1.85	0.186 - 1.850	-	-
Debentures/Notes	MUR	-	-	5.60 - 5.75	5.85 - 6.00

- 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.

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

	31 December 2015 MUR	31 December 2014 MUR
Available-for-sale securities	13,527,479	14,007,616

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

29. FINANCIAL INSTRUMENTS (CONT'D)

29.3 Financial risk management (cont'd)

(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 cash flow will occur in a different period.

	<i>Within 1 month MUR</i>	<i>1 to 3 months MUR</i>	<i>3 months to 1 year MUR</i>	<i>More than 1 year MUR</i>	<i>No fixed maturity MUR</i>
Held to maturity (incl. interest)	162,502,917	428,477,659	324,392,547	230,591,415	—
Available-for-sale	—	—	—	178,395,024	1,174,352,878
Loans & Receivables (excluding prepayments)	2,318,310	9,316,406	4,231,416	8,756,219	38,185
Cash & cash equivalents	1,511,031,150	129,105,966	243,112,168	—	—
	1,675,852,377	566,900,031	571,736,131	417,742,658	1,174,391,063

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 MUR</i>	<i>1 to 3 months MUR</i>	<i>3 months to 1 year MUR</i>	<i>More than 1 year MUR</i>
Liabilities	4,146,560	416,740,253	413,745,000	—

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for the year ended 31 December 2015

30. 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.

31. TAXATION

The Fund is exempt from income tax.

32. 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 4.009 millions

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

NOTES TO THE FINANCIAL STATEMENTS

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32. SENSITIVITY ANALYSIS (CONT'D)

- (iii) Estimated islandwide extraction rate of 9.21%

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 369,531 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 51,704 Hectares

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

- (vi) Estimated islandwide Total Insurable Sugar 442,596 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 12.37

The islandwide average ranking is the average ranking of all insureds weighted by their TIS (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.

33. 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
2015	414,054,000	207,962,000 **& ***	199.1%
2014	7,250,000*	192,344,374 ** & ***	3.7%
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%

* Fire Compensation only

** Based on new insurance terms.

*** Before deduction of discounts given to Insureds. (Rs 200.55 Million in 2015, 185.23 Million in 2014, Rs 397.6 Million in 2011, Rs 354.2 Million in 2010 and Rs 64.46 Million in 2009)

No reinsurance proceeds were receivable for crop years 2007 to 2015.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

33. CONTINGENT LIABILITY

In line with IAS 37, the following contingent liability is being disclosed.

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 is yet to be finalised. The Board maintains 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 adjustment is expected for Crop Years 2011, 2012, 2013 and 2015 in premium receivable following Insureds' compensation for Crop 2010 such adjustment cannot be computed at this stage.

34. 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

Financial and Statistical Tables

Table II: Fire Statistics, Crop 2015

Table III: Sugar Price

Table IV: Events (1958-2015)

Table V: Events by Factory Area, 2005 - 2015

Table VI: Credit Co-operative Societies, Crop 2015

Table VII: Millers, Crop 2015

Table VIII: Analysis by Ranking, Crop 2015

Table IX: Area Harvested & Cane Weight, Crop 2015

Table X: Number of Planters, Sugar Produced & Insurable Sugar, Crop 2015

Table XI: Premium, Compensation and Shortfall - Crop 2015

Table XII: Past Years Data (2004 – 2015)

SUGAR INSURANCE FUND BOARD

Table 1 : Statement of Funds

Financial Year	Income				Expenditure				Operating Surplus/ (Deficit)	Cumulative Fund Reserves
	Gross Premium	Other contributions	Investments & Other Income	Total Income	Net compensation	Net Reinsurance Premium	Operating & Other Expenses	Total Expenditure		
	Note 2	Note 3	Note 4		Note 5	Note 6	Note 7			
Up to 2005/2006	13,563,592,249	2,109,608,146	3,145,685,658	18,818,886,053	12,179,712,745	2,302,597,429	1,437,608,400	15,919,918,574	2,898,967,479	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	-	1,000,101,144	1,293,901,144	7,731,929	-	140,573,741	148,305,670	1,145,595,474	5,204,482,452
2013 (Restated)	271,520,300	-	296,510,208	568,030,508	7,469,662	-	535,157,275	542,626,937	25,403,571	5,229,886,023
2014	192,155,641	7,072,238	341,441,261	540,669,140	7,250,000	-	1,257,056,844	1,264,306,844	(723,637,704)	4,506,248,319
2015	207,934,630	-	327,139,143	535,073,773	414,130,480	-	811,454,523	1,225,585,003	(690,511,230)	3,815,737,089
TOTAL	17,822,758,064	2,122,799,585	6,569,638,501	26,515,196,150	14,308,354,557	2,578,619,861	5,812,484,643	22,699,459,061	3,815,737,089	

Notes

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

Table II: Fire Statistics (Inter-Crop 2015)

SECTOR	Cases Compensated (Number)	Effective Area Burnt (Hectares) (1)	Total Area Harvested (Hectares) (2)	Area Burnt as % of Total Area Harvested (1)/(2)
North	47	44.734	11,494	0.39%
East	28	40.055	15,352	0.26%
South	36	35.548	15,883	0.22%
West	5	2.869	4,330	0.07%
Centre	6	6.794	4,635	0.15%
ISLAND	122	130.000	51,694	0.25%

Table III: Sugar Price for Insurance

Crop	Planters	Millers	Weighted
Year	(Rupees)		
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
2014	13,184	12,500	13,034
2015	13,735	13,000	13,573

Table IV: Events (1957 - 2015)

Events	1957 to 1959	1960 to 1969	1970 to 1979	1980 to 1989	1990 to 1999	2000 to 2009	2010 to 2015	Total
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	1	4

Table V: Events Declared by Factory Area, 2005 – 2014

ENLARGED FACTORY AREA	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TERRA (NORTH)										
Belle Vue	D&E	C&D&E	D&E	D&E	---	D	---	---	---	---
Beau Plan	D&E	C&D&E	D&E	D&E	---	D	---	---	---	---
Mon Loisir	D&E	C&D&E	D&E	D&E	---	D	---	---	---	---
ALTEO (CENTRE/ EAST)										
Beau Champ	C&D&E	C&D&E	E	D&E	---	D	---	---	---	E
Constance	C&D&E	C&D&E	E	D&E	---	D	---	---	---	E
FUEL	C&D&E	C&D&E	E	D&E	---	D	---	---	---	E
Mon Desert Alma	C&D&E	C&D&E	E	D&E	---	D	---	---	---	E
Highlands	C&D&E	C&D&E	E	D&E	---	D	---	---	---	E
OMNICANE (SOUTH)										
Britannia	C&D&E	C&D&E	E	E	---	D	---	---	---	E
Mon Trésor	C&D&E	C&D&E	E	E	---	D	---	---	---	E
Riche-en-Eau	C&D&E	C&D&E	E	E	---	D	---	---	---	E
Rose-Belle	C&D&E	C&D&E	E	E	---	D	---	---	---	E
Savannah	C&D&E	C&D&E	E	E	---	D	---	---	---	E
St Félix	C&D&E	C&D&E	E	E	---	D	---	---	---	E
Union St. Aubin	C&D&E	C&D&E	E	E	---	D	---	---	---	E
MEDINE (CENTRE/ WEST)										
Médine	D&E	C&D&E	D&E	D&E	---	D	---	---	---	---
Reunion	C&D&E	C&D&E	E	D&E	---	D	---	---	---	---

C: Cyclone

D: Drought

E: Excessive Rainfall

Table VI: Credit Co-operative Societies, Crop 2015

ENLARGED FACTORY AREA	Planters	Area Harvested	Sugar Accrued	Insurable Sugar	General Premium	Fire Premium	General Compensation
	(Number)	(Hectares)	(Tonnes)		(Rupees)		
TERRA (North)	1,632	1,567	9,003	10,235	5,698,235	171,435	-
ALTEO (East/ Centre)	3,525	3,078	13,816	19,335	10,271,577	325,672	37,251,416
OMNICANE (South)	2,052	2,106	10,127	12,974	6,404,473	218,037	20,140,521
MEDINE (West/ Centre)	106	96	474	600	337,899	10,055	-
ISLAND	7,315	6,847	33,420	43,145	22,712,184	725,199	57,391,937

Table VII: Millers, Crop 2015

ENLARGED FACTORY AREA	Millers	Sugar Accrued	Insurable Sugar	General Premium	Fire Premium	General Compensation	One-Off Financial Assistance
	(Number)	(Tonnes)		(Rupees)			
TERRA (North)	1	19,234	21,463	10,323,562	359,500	-	38,467,946
ALTEO (East/ Centre)	1	29,036	35,774	15,718,926	599,208	46,501,989	11,569,201
OMNICANE (South)	1	24,397	30,110	11,703,792	504,344	44,575,603	4,217,757
MEDINE (West/ Centre)	1	8,300	10,017	4,297,288	167,785	-	16,599,558
ISLAND	4	80,966	97,363	42,043,568	1,630,837	91,077,592	70,854,462

Table VIII: Analysis by Ranking, Crop 2015

Ranking	Insureds	Area Harvested	Canes Milled	Insurable Sugar	Sugar Accrued	General Premium	Fire Premium	General Compensation
	(Number)	(Hectares)	(Tonnes)			(Rupees)		
5.0- 5.4	163	126	8,203	636	568	352,880	9,790	272,486
5.5- 5.9	686	554	35,827	3,082	2,474	1,850,031	51,950	2,231,563
6.0- 6.4	3,152	2,724	171,849	15,699	12,110	9,296,510	263,954	14,387,284
6.5- 6.9	907	1,133	71,260	6,296	5,100	3,680,901	106,191	4,613,017
7.0- 7.4	897	840	54,595	5,010	3,885	2,881,147	84,057	4,374,781
7.5- 7.9	1,040	1,570	102,684	9,473	7,384	5,386,589	159,000	6,206,597
8.0- 8.4	1,084	1,488	106,390	8,715	7,624	4,899,727	146,312	5,378,205
8.5- 8.9	1,064	1,243	88,086	8,309	6,417	4,615,944	139,729	7,348,496
9.0- 9.4	867	2,462	162,685	15,169	11,940	8,244,244	253,176	15,090,496
9.5- 9.9	903	3,942	293,984	26,068	21,675	14,016,524	436,980	18,915,618
10.0-10.4	559	543	36,535	3,456	2,594	1,822,862	58,163	5,349,674
10.5-10.9	524	569	40,274	3,792	2,830	1,954,370	63,621	6,368,474
11.0-11.4	447	4,031	348,640	48,229	43,253	23,707,912	807,707	11,261,744
11.5-11.9	393	380	25,864	2,554	1,825	1,255,592	42,975	5,537,767
12.0-12.4	346	3,711	289,390	24,180	21,651	11,423,998	404,695	13,152,520
12.5-12.9	283	5,259	410,278	71,718	60,041	32,123,734	1,201,391	50,534,243
13.0-13.4	232	259	16,907	11,745	9,487	5,076,253	197,030	4,627,470
13.5-13.9	207	246	16,254	1,719	1,147	738,714	28,863	5,030,500
14.0-14.4	178	166	12,137	31,309	25,252	12,198,088	524,461	47,352,536
14.5-15.0	643	20,448	1,717,390	145,235	122,276	55,046,425	2,432,818	178,871,370
ISLAND	14,575	51,694	4,009,232	442,394	369,531	200,572,445	7,412,863	406,904,841

Table IX: Area Harvested & Cane Weight, Crop 2015

ENLARGED FACTORY AREA		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	TOTAL
TERRA (North)	Area Harvested (Hectares)	468	511	616	714	223	202	8,760	11,494
	Cane Weight (Tonnes)	34,983	36,834	47,005	54,785	16,927	15,824	681,895	888,253
ALTEO (East/ Centre)	Area Harvested (Hectares)	842	1,367	1,387	1,569	805	507	13,368	19,845
	Cane Weight (Tonnes)	54,252	86,615	87,022	101,603	52,598	32,510	1,068,185	1,482,785
OMNICANE (South)	Area Harvested (Hectares)	610	722	674	894	476	797	11,711	15,883
	Cane Weight (Tonnes)	39,415	45,054	44,375	57,773	30,994	55,033	942,143	1,214,789
MEDINE (West/ Centre)	Area Harvested (Hectares)	35	53	70	60	166	227	3,861	4,472
	Cane Weight (Tonnes)	2,282	3,665	4,605	4,410	11,715	17,505	379,224	423,406
ISLAND	Area Harvested (Hectares)	1,956	2,652	2,746	3,237	1,669	1,734	37,700	51,694
	Cane Weight (Tonnes)	130,933	172,169	183,006	218,571	112,234	120,872	3,071,447	4,009,232

Table X: Number of Insureds, Sugar Produced & Insurable Sugar, Crop 2015

ENLARGED FACTORY AREA		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
TERRA (North)	Number of Insureds	1,866	713	448	242	34	11	9	1	3,324
	Sugar Accrued (Tonnes)	2,634	2,778	3,534	4,136	1,282	1,212	51,870	19,234	86,680
	Insurable Sugar (Tonnes)	3,172	3,339	4,129	4,761	1,486	1,363	57,844	21,463	97,558
ALTEO (East/ Centre)	Number of Insureds	3,247	1,846	992	530	117	30	5	1	6,768
	Sugar Accrued (Tonnes)	3,748	5,817	5,927	7,041	3,676	2,233	74,394	29,036	131,872
	Insurable Sugar (Tonnes)	5,183	7,828	8,181	9,710	5,122	3,114	87,696	35,774	162,608
OMNICANE (South)	Number of Insureds	2,263	1,013	484	303	71	20	15	1	4,170
	Sugar Accrued (Tonnes)	2,773	3,148	3,085	4,042	2,162	3,922	67,584	24,397	111,113
	Insurable Sugar (Tonnes)	3,769	4,321	4,133	5,438	3,003	4,845	81,247	30,110	136,866
MEDINE (West/ Centre)	Number of Insureds	134	72	50	18	24	10	4	1	313
	Sugar Accrued (Tonnes)	164	261	323	327	881	1,357	28,252	8,300	39,866
	Insurable Sugar (Tonnes)	204	330	416	384	1,138	1,619	31,255	10,017	45,363
ISLAND	Number of Insureds	7,510	3,644	1,974	1,093	246	71	33	4	14,575
	Sugar Accrued (Tonnes)	9,318	12,004	12,870	15,546	8,001	8,724	222,101	80,966	369,531
	Insurable Sugar (Tonnes)	12,328	15,818	16,859	20,292	10,749	10,941	258,043	97,363	442,394

Table XI: General Premium, General Compensation & One-Off Financial Assistance, Crop 2015

ENLARGED FACTORY AREA		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
TERRA (North)	General Premium (Rs)	1,769,335	1,863,595	2,298,587	2,629,483	789,466	713,568	27,555,118	10,323,562	47,942,714
	General Compensation (Rs)	-	-	-	-	-	-	-	-	-
	One-Off Financial Assistance (Rs)	5,268,112	5,555,398	7,068,684	8,272,874	2,563,336	2,272,984	103,740,850	38,467,946	173,210,184
ALTEO (East/ Centre)	General Premium (Rs)	2,780,356	4,281,529	4,426,983	5,206,229	2,744,246	1,636,344	38,837,265	15,718,926	75,631,878
	General Compensation (Rs)	9,657,547	13,386,159	14,511,188	16,916,249	9,341,108	6,130,399	90,527,368	46,501,989	206,972,007
	One-Off Financial Assistance (Rs)	2,666,306	4,594,422	4,038,342	4,496,477	2,229,005	1,322,511	66,708,684	11,569,201	97,624,948
OMNICANE (South)	General Premium (Rs)	2,015,686	2,318,499	2,200,891	2,914,472	1,586,581	2,026,834	33,167,348	11,703,792	57,934,103
	General Compensation (Rs)	6,660,934	7,733,381	6,682,853	8,557,461	5,232,121	8,442,196	112,048,285	44,575,603	199,932,834
	One-Off Financial Assistance (Rs)	2,097,048	2,318,608	2,357,257	3,377,385	1,361,608	1,498,179	45,577,069	4,217,757	62,804,911
MEDINE (West/ Centre)	General Premium (Rs)	114,746	181,940	234,892	214,591	648,380	901,771	12,470,142	4,297,288	19,063,750
	General Compensation (Rs)	-	-	-	-	-	-	-	-	-
	One-Off Financial Assistance (Rs)	327,214	522,572	646,532	653,898	1,762,808	2,714,838	56,504,632	16,599,558	79,732,052
ISLAND	General Premium (Rs)	6,680,123	8,645,563	9,161,353	10,964,775	5,768,673	5,278,517	112,029,873	42,043,568	200,572,445
	General Compensation (Rs)	16,318,481	21,119,540	21,194,041	25,473,710	14,573,229	14,572,595	202,575,653	91,077,592	406,904,841
	One-Off Financial Assistance (Rs)	10,358,680	12,991,000	14,110,815	16,800,634	7,916,757	7,808,512	272,531,235	70,854,462	413,372,095

Table XII: Past Years Data (2004 - 2015)

Crop Year	Insureds	Area Harvested	Canes Milled	Sugar Accrued	Insurable Sugar	General Premium	General Compensation	Crop Reduction	Events
	(Number)	(Hectares)	(Tonnes)			(Rupees Thousands)		%	
2004	27,617	68,745	5,281,455	574,140	644,356	849,606	349,302	11%	E
2005	26,898	67,404	4,984,315	521,541	628,854	889,665	566,857	17%	D & E
2006	25,693	65,243	4,695,173	506,576	608,730	843,454	581,800	17%	D; E; C: Diwa
2007	24,342	63,188	4,236,793	438,068	567,003	830,595	848,782	23%	D; E; C: Gamede
2008	22,747	60,381	4,533,384	455,374	540,382	711,852	406,633	16%	D & E
2009	21,498	59,108	4,666,949	470,895	523,354	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	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%	---
2014	14,925	49,791	4,044,421	404,146	424,715	185,232	-	4.8%	---
2015	14,575	51,694	4,009,232	369,531	442,394	200,572	406,905	16.5%	E



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