



SUGAR INSURANCE FUND BOARD

REPORT JULY 2006 - DECEMBER 2007

TABLE OF CONTENTS

	Page N°
Chairman's Letter	4
Letter to Insureds	5
Corporate Governance Report	9
Directorate and Management	10
2006 and 2007 crops: General Outlook	14
Appendix A:	
Report from the Director of Audit	
& Audited Accounts for the year ended 31 Dec 2007	19
Appendix B:	
Statistical & Financial Tables	56
Address of Offices	72
Staff List	73
Glossary	75

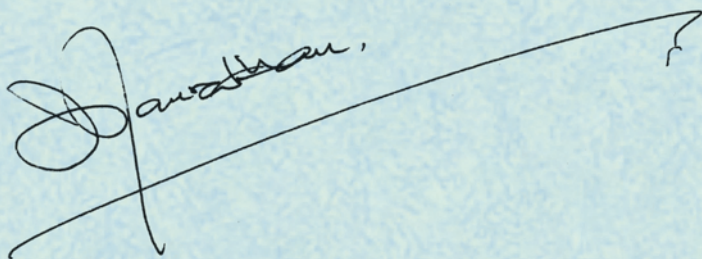
CHAIRMAN'S LETTER

Dr The Honourable Rama Krishna Sithanen,
Vice Prime Minister
Minister of Finance and Economic Empowerment
Port-Louis

Dear Sir

The Board is pleased to present its latest Report and the Audited Accounts of the Sugar Insurance Fund for the 18-month period ended 31 Dec 2007.

Yours faithfully

A handwritten signature in black ink, appearing to read 'J. Manrakhan', is written over a long, thin horizontal line that extends across the width of the signature.

(Professor J. Manrakhan) G. O. S. K.

Chairman

Sugar Insurance Fund Board

22nd September 2008

LETTER TO INSUREDS

Dear Insureds,

We are pleased to present the latest report of the Sugar Insurance Fund for the 18-month period 1st July 2006 to 31st December 2007. The accounts have been prepared within the best practices applicable to insurance entities and in line with International Financial Reporting Standards. Crop 2007, a below normal crop, has been assessed under new insurance terms as per amended legislation following the Sugar Insurance Fund (Amendment) Act 2007 of 2007. Although the loss ratio of the Fund exceeded 100 per cent, the accounts registered a surplus of MUR 122.3M achieved mainly through fairly stable returns on investment, with the Fund's reserves reaching some MUR 3.891 billion on 31st December 2007.

DIRECTORS OF THE BOARD:-

Professor J. Manrakhan, G.O.S.K. ...Chairman

Mr P. BeeharryRepresentative of the Ministry of Finance and Economic Development

Mr J. C. BégaRepresentative of Millers

Mr C. BhugunRepresentative of the Ministry of Agro Industry and Fisheries

Mr D. BundhooRepresentative of the Director General (Economic Division)

Ministry of Finance and Economic Development

Mr Cheung Kai Suet.....General Manager, Cane Planters and Millers Arbitration
and Control Board

Mr G. Leung Shing.....Representative of the Mauritius Chamber of Agriculture

Mr D. PilotRepresentative of Planters

Mr S. Purmanund.....Representative of Planters

Dr G. RajpatiRepresentative of the Mauritius Sugar Authority

Mr J. SeegobinRepresentative of Planters

Committees of the Board

Besides the statutory provision regarding the Investment Committee, the Board has in line with best practices of Corporate Governance, established committees namely -

Committee of Chairmen of sub committees (now Corporate Governance Committee), Assessment Committee, Audit and Risk Management Committee, Budget and Procurement Committee and Staff Committee.

Committee of Chairmen of Committees (now Corporate Governance Committee)

The Committee comprises of Chairmen of all Committees and is chaired by the Chairman of the Board.

The Committee of Chairmen of Committees oversees the functioning of the Committees with a view of ensuring compliance with statutes and objectives set out.

Investment Committee

The Committee established by legislation is presided by Prof. J. Manrakhan, Chairman of the Board and comprises of (i) Mr. P. Beeharry, (ii) Mr. J. C. Béga, (iii) Mr. G. Leung Shing as members and has attributes the investment strategies of the Fund.

Assessment Committee

The Assessment Committee is chaired by Dr. G. Rajpati with Messrs Cheung Kai Suet, Denis Pilot and S. Purmanund as members.

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

Audit and Risk Management Committee

The Audit and Risk Management Committee under the chairmanship of Mr. J.C. Bega has as members Mr. D. Bundhoo and Mr. J. Seegobin.

The Committee oversees the Internal Audit and Internal Control functions to ensure their effectiveness and periodically reviews follow up action on identified weaknesses.

Budget and Procurement Committee

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

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

Staff Committee

The Staff Committee consists of Mr. P. Beeharry (Chairman), Mr. C. Bhugun Mr. S. Purmanund and Mr. J. Seegobin (members).

The Committee functions under an approved mandate which includes selection, appointment, promotion and dismissal of Board's officers and formulate policy decisions in respect of the organisational and staff structures and all other conditions of service.

Acknowledgement and Thanks

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

Senior Management

Mr. Diness Purrryag

Mr. Johnny S.S. Chong Chap Sin

Mr. Deorajnuth Gansam

Mr. Gaoutam Gooroochurn

Mr. Luchmeenarain Kishto

Mr. Yan Lock Son

Mr. Youveraj Nathoo

Mr. Yung Kiong J. Newk Fon Hey Tow

Mr. Mohamed Y.M.A.F.E. Peermamode

Mr. Krishnamoorthy P. Vayapooree

General Manager

Senior Network Engineer

Manager (Survey)

Manager Finance –

Ag. Chief Manager (Finance) as from 10.09.07

Chief Manager (Finance) up to 10.09.07

Chief Manager (Information Systems Services)

Internal Auditor

Chief Manager (Operations)

Senior Software Engineer

Manager (Inspection)

Legal Advisers

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

Auditors

- 1 Director of Audit, National Audit Office

Main Bankers

- 1 State Bank of Mauritius Ltd
- 2 Mauritius Commercial Bank Ltd
- 3 Barclays Bank Ltd

Corporate Governance Report

Directors' Responsibility for the Financial Statements

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

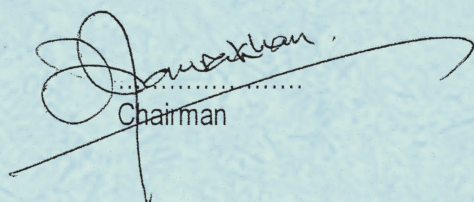
Responsibilities of the Board of Directors

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

Internal Control

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

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



Chairman



Director

DIRECTORATE AND MANAGEMENT BOARD OF DIRECTORS

DIRECTORS' PROFILE

Prof. JAGADISH MANRAKHAN, GOSK

CHAIRMAN of the Board since November 2000

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

PREMCOOMAR BEEHARY

DIRECTOR – Representative of the Ministry of Finance & Economic Development

Born in 1948, Mr. P. Beeharry holds a B.A. (Hons) degree and a Diploma in Public Administration & Management. He was appointed Director of the Board in February 1996. He has also been until recently the Deputy Chairman of the Board of Directors of the State Land Development Company Ltd and member of the Board of the State Property Development Company Ltd.

JEAN CLAUDE BÉGA

DIRECTOR – Representative of Millers

Born in 1963, Mr. Jean-Claude Béga, a fellow of the Association of Chartered Certified Accountants, Finance Executive of Groupe Mon Loisir, was appointed as Director in January 2002. He is also Director of a number of Companies including Nàïade Resorts Ltd and Capital Leasing as well as Alternate Director of AfrAsia Bank Ltd and Mauritius Stationery Manufacturers Ltd.

CHETTANDEO BHUGUN

DIRECTOR – Representative of Ministry of Agro Industry & Fisheries

Born in 1956, Mr. C. Bhugun, Principal Assistant Secretary at the Ministry of Agro Industry & Fisheries holds an MBA. He was appointed Director of the Board since October 2005. He is also Board Member of the Mauritius Sugar Terminal Corporation, the Sugar Planters Mechanical Pool Corporation and the Irrigation Authority.

DEOBRUT BUNDHOO

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. He was appointed Director of the Board since July 2001.

CHEUNG KWET FA CHEUNG KAI SUET*DIRECTOR – General Manager of Cane Planters and Millers Arbitration and Control Board*

Born in 1948, Mr. C.K. Cheung Kai Suet holder of a BSc (Hons) Sugar Technology (University of Mauritius) was appointed as Director in September 2005.

GEORGES LEUNG SHING*DIRECTOR – Representative of the 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, and was appointed as Director in September 1992. He is also the Chairperson of the Mauritius Development Investment Trust Co Ltd and the Financial Reporting Monitoring Panel and a Director of the Mauritius Institute of Directors, Mon Tresor and Mon Desert Ltd, Mauritius Chemical & Fertilizer Industry Ltd and Mauritius Stationery Manufacturers Ltd.

DENIS PILOT*DIRECTOR – Representative of Planters*

Born in 1950, Mr. Denis Pilot, holder of a BSc in Agronomy (LSU), General Manager of Harel Freres, Sugar Operations was appointed as Director in 2004. He is also Director of Belle Vue Milling Co Ltd and Societe Koenig Freres.

SRINIVASS PURMANUND*DIRECTOR – Representative of Planters*

Born in 1933, Mr. S. Purmanund was appointed as Director of the Board in December 2006. He has wide experience in the sugar industry and co-operative movement.

GOWREESHANKURSING RAJPATI*DIRECTOR – Representative of Mauritius Sugar Authority*

Born in 1952, Dr G. Rajpati holds a 'Diplome de Docteur Ingenieur Agronome' from the 'Institut National Agronomique de Paris-Grignon'. Executive Director of the MSA since 1986, he has been one of the architects of reform in the Sugar Industry and has been very active in the fields of Sustainable Development and International Trade. He was Director of the Board from 1989 to 1997 and is so from 2000 to date. He is member of the Sales and Executive Committee of Mauritius Sugar Syndicate among others.

JUGDUTH SEEOBIN*DIRECTOR – Representative of Planters*

Born in 1929, Mr. J. Seegobin was appointed Director of the Board in April 2002. He has wide experience in the agricultural, industrial and commercial sector.

SENIOR MANAGEMENT PROFILE

DINESS PURRYAG, *General Manager*

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

SIN SOO SHUING CHONG CHAP SIN, *Senior Network Engineer*

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

DEORAJNUTH GANSAM, *Manager (Survey)*

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

GAOUTAM GOOROOCHURN, *Manager (Finance)*

Mr. G. Gooroochurn is a Member of the Association of Chartered Certified Accountants. He joined the SIFB as Manager Finance in September 2006. He was assigned responsibilities of Chief Manager Finance on 10 September 2007.

LUCHMEENARAIN KISHTO, *Chief Manager (Finance)*

Mr L. Kishto is a Fellow of the Association of Chartered Certified Accountants and holds an MSc in Finance. He joined the SIFB as Manager Finance in September 2000 and was appointed as Chief Manager Finance in September 2003. Mr. L. Kishto resigned from the services of the Board on 22 January 2008.

LI YAN LIM LOCK SON, *Chief Manager (Information System Services)*

Mr. L. Y. L. Lock Son holds a BSc. He joined the SIFB in July 1997 as Chief Manager (Information System Services).

YOUVERAJ NATHOO, *Internal Auditor*

Mr Y Nathoo is a Fellow of the Association of Chartered Certified Accountants and holds an MSc in Finance. He joined the SIFB in April 2003 as Internal Auditor and has long experience in Accounting/Auditing in the Banking Sector.

YUNGKIONG JIMMY NEWKFONHEYTOW, *Chief Manager (Operations)*

Mr J Newkfonlytow holds a BSc in Computer Science and became an Associate Member of the Society of Actuaries in 1990. He joined the SIFB in May 1998 as Claims Manager and is presently the Chief Manager (Operations).

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.

KRISHNAMOORTHY PILLAY VAYAPOOREE, *Manager (Inspections)*

Mr. K.P. Vayapooree, holder of a Diploma in Land Surveying, joined the SIFB in February 1971 and is presently Manager (Inspection).

CODE OF CONDUCT

The Fund is committed to ethical practices in the conduct of its business and has recently adopted a code of ethics which set out standards for its employees.

BOARD & SUB COMMITTEE MEETINGS

Board Directors	Board meeting	Investment Committee	Staff Committee	Audit Committee	Budget & Procurement Committee	Assessment Committee	Corporate Governance Committee	Total
Total No. Meetings	14	4	3	2	2	3	5	33
Prof. J. Manrakhan	14	4					5	23
Mr. P. Beeharry	8	4	3				4	19
Mr. G. Leung Shing	12	4			2		5	23
Mr. J. C. Bega	10	4		2			5	21
Mr. D. Pilot	7					2		9
Dr. G. Rajpati	6					3	4	13
Mr. D. Bundhoo	11			2	2			15
Mr. D. Bhugun	10		2					12
Mr. J. Seegobin	12		3	2	1			18
Mr. Chueng Kai Suet	11					3		14
Mr. D. Bhuruth from January 2004 up to 5 th December 2006	3		2			5		10
Mr. S. Purmanund as from 25 th January 2007	8		1		2	2		13

Remuneration of Directors

During the period July 2006 to December 2007, a total amount of MUR 1,042,552 has been paid as Directors fee.

Related Party Transactions & Key Risks

Related party transactions and key risks areas have been fully disclosed in the accounts at notes 21 and 22 respectively.

2006 AND 2007 CROPS - GENERAL OUTLOOK

General Insurance

2006 and 2007 crops were both affected by adverse climatic conditions to varying degrees and sugar productions (insurance purposes) reached 506,576 and 438,068 metric tonnes respectively. For 2006 and 2007 crops, all factory areas were respectively declared “Event Year” on account of the occurrence of either cyclone, drought or excessive rainfall or a combination thereof. For crop 2006, the sugar production of the factory area of Belle Vue as a percentage of the Total Insurable Sugar (TIS) peaked 95 per cent whilst the factory area of FUEL had the lowest sugar production of 76 per cent. Crop 2007 saw Medine factory area having the highest sugar production of 86 per cent whereas Mon Loisir factory area was the most affected with a sugar production of 65 per cent. The harvestable extent declined from 65,243 hectares (crop 2006) to 63,188 hectares (crop 2007). The number of accounts held by insureds fell from 25,693 (crop 2006) to 24,342 (crop 2007). The ongoing centralisation of the Sugar Industry saw the closure of two additional mills, bringing the number of mills in operation to eight in 2007. The weighted average sugar prices for insurance purposes for 2006 and 2007 crops were respectively determined at Rs17, 028 and Rs18,139 per metric tonne of sugar.

Fire Insurance

For crops 2006 and 2007, the number of cases of compensable damages caused by intercrop fire were 201 and 135 respectively. For both crop years the North had the highest number of cases and the west and centre the lowest number of cases. The total extent destroyed by fire was 178 hectares for crop 2006 and 115 for crop 2007. In terms of total extent damaged the south had the highest extents for both crops. Fire compensation paid to insureds for crop 2007 were at the revised rates and that following amendment (GN 94 of 2007) brought to the fifth schedule of the Act.

Changes in Insurance Terms

Following the adoption of an actuarial review under section 48 of the Sugar Insurance Fund (SIF) Act, the law and by-laws governing the activities of the Fund were subsequently amended by SIF (Amendment) Act No. 7 of 2007 and Government Notice No. 94 of 2007 giving effect to recommendations made. The study which took into account the serious challenges facing the Industry reviewed all existing insurance terms, whilst at the same time provided incentives to planters with small holdings to regroup into larger production units. Crop 2007 were assessed under the new provisions and the TIS fell by some five per cent reaching 567,000 metric tonnes of sugar.

Financial Review

The Fund's Financial Statements presented in this report have been prepared in line with International Financial Reporting Standards. Management has exercised its judgment and made best estimates where deemed necessary.

Financial Performance

The financial period under review (18 months) recorded a total net surplus of Rs 122.34 million (General and Fire) compared to a surplus of Rs 300.96 million in 2006 (restated). The resulting downtrend in net surplus was mainly attributable to a more than 100% loss ratio (Insurance premium: Insurance compensation), resulting in a deficit of Rs 104.96 million in the general insurance account. This deficit was positively mitigated by favourable investment income. It should however be noted that revaluation losses on translation of foreign currency deposits amounted to Rs 30.77 million compared to revaluation gains of Rs 41.95 million last year.

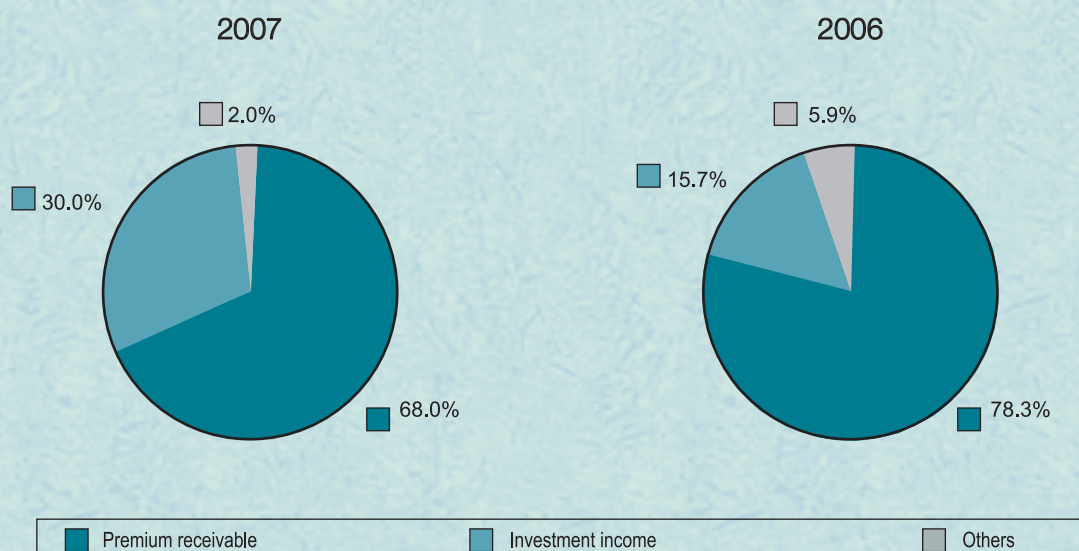
Table 1: Income and Expenditure summary

Item	General Fund Rs Million	Fire Fund Rs Million	Total Rs Million
Total Income	1,225	7	1,232
Total Expenditure	1,103	7	1,110
Total Net surplus	122	-	122

Income

Total income for the 18 months amounted Rs 1,232 million. This includes mainly insurance premium receivable for crop year 2007 and investment income for the 18 months period.

The composition of income is shown below:



Insurance Premium

Insurance premium (General and Fire) for crop year 2007 collected during the period amounted to Rs 838 million compared to Rs 849 million during the previous crop year. The decrease was mainly attributable to a lower Total Insurable Sugar and higher islandwide average ranking.

Table 2: Premium Income

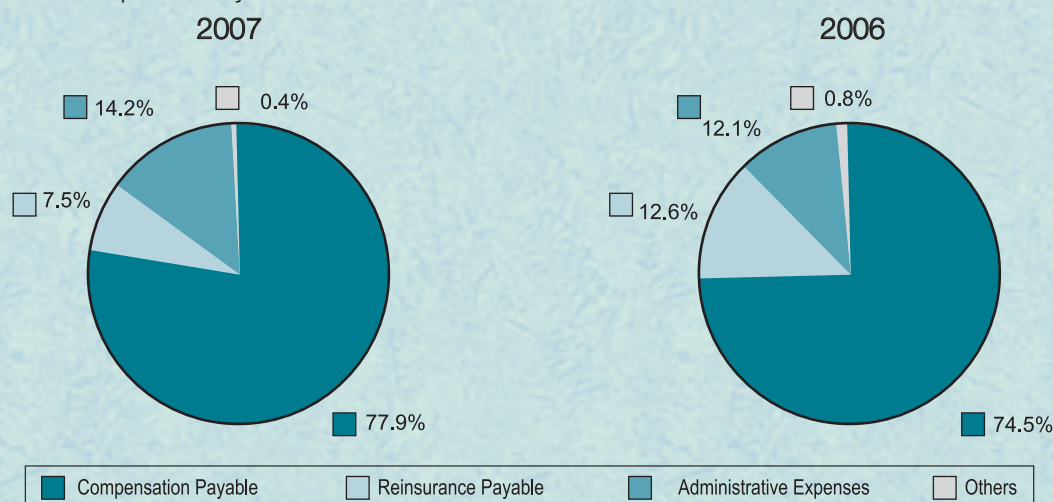
Premium	Total Rs Million
General Premium	831
Fire Premium	7
Total	838

Investment Income

Investment income amounted to Rs 369 million for the 18 months period under review (pro-rated to Rs 246 million per annum) compared to Rs 171 million for the previous financial year. This represents an illustrative growth of 44%. The positive performance resulted mainly due to our selective investment strategy coupled with improvements on returns from investments mainly on foreign currency deposits. Favorable returns on our investment were however mitigated by the appreciation of the rupee vis-à-vis the major currencies, resulting in exchange losses on translation of our foreign currency deposits at period end. The net average return per annum on the investment portfolio was 5.45%.

Expenditure

The overall expenditure of the Fund for the 18 months period was Rs 1,110 million. This amount included insurance compensation of Rs 857 million for crop 2007 compared to an amount of Rs 584 million for crop 2006 incurred in the previous year.



Accumulated Fund

The Accumulated Fund, which comprises of the General Fund and the Fire Fund, increased from Rs 2.91 billion (as re-stated) to Rs 3.04 billion during the financial period, representing a increase of 4.47%.

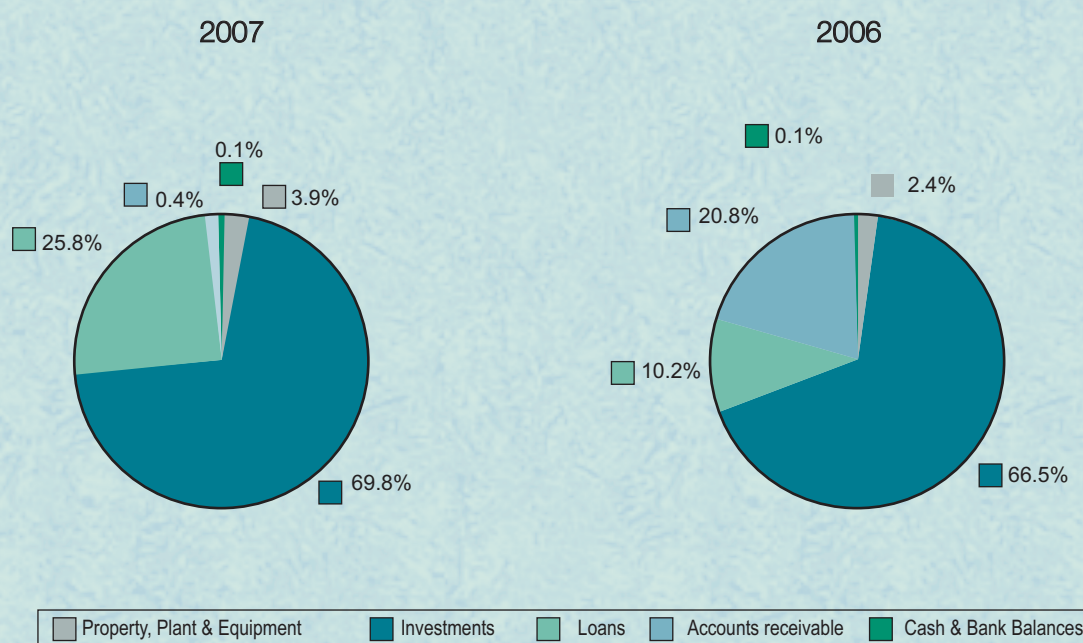
Table 3: Accumulated Fund

Fund	Total Rs million
General	3,018
Fire	23
Total	3,041

Assets under management

Total assets under management amounted to Rs 4.9 billion as at 31 December 2007 (Rs 4.2 billion in 2006), thus showing an increase of 16%. Investments are stated on a fair value basis. Land and Buildings were revalued in October 2007.

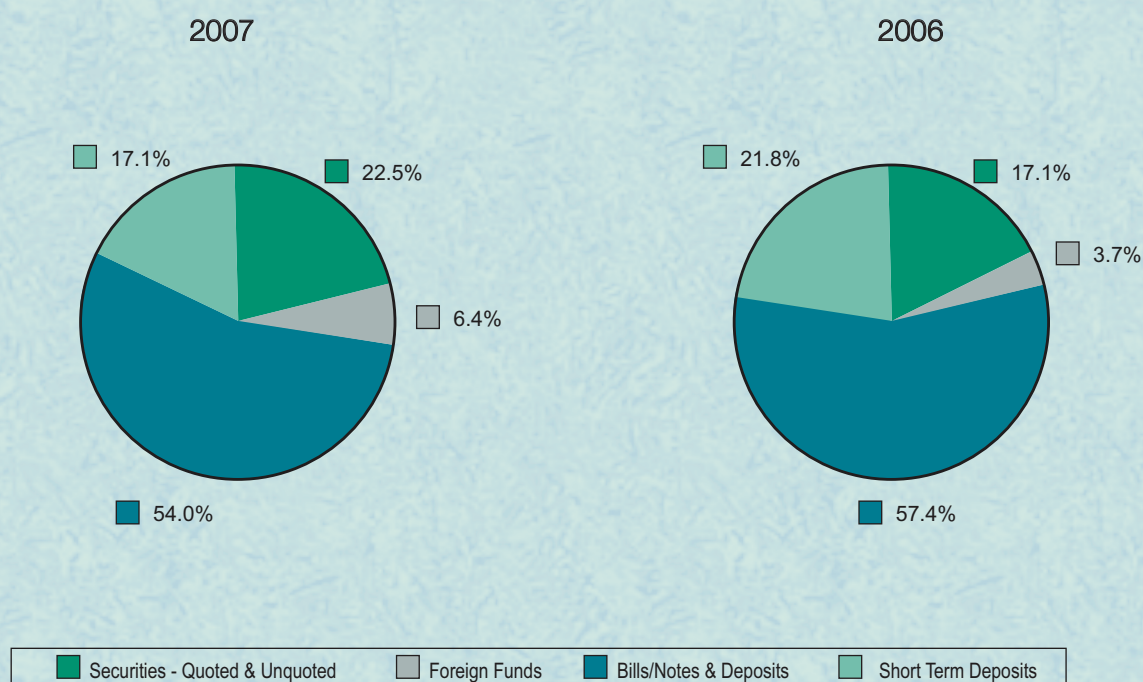
An analysis of total assets under management is as follows:



Investments

The period under review recorded an increase in the value of investments from Rs 2.78 billion to Rs 3.4 billion, representing a progression of 22.30%. Our investment strategy has prudently been geared towards the need to maintain a reasonable level of liquid investments, a well diversified portfolio and fairly stable returns.

An analysis of investments is shown below:



Reinsurance

The growing financial strength of the Board in the context of a hardening reinsurance market and on expiry of the 2001-2003 reinsurance treaty, the Board has gradually moved towards a catastrophic cover for crop years 2004-2008, with “savings” to the tune of Rs 530M on premium ceded being recorded.

Insurance premium ceded (reinsurance cost Crop 2007)

Insurance premium ceded to reinsurers amounted to Rs 83M (2006- Rs 99M)

REPORT OF THE
DIRECTOR OF AUDIT

On the Financial Statements
of the Sugar Insurance Fund Board
for the Period Ended 31 December 2007

NATIONAL AUDIT OFFICE

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

Report on the Financial Statements

I have audited the financial statements of the Sugar Insurance Fund Board which comprise the balance sheet as of 31 December 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Sugar Insurance Fund Board and for the presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with Sugar Insurance Fund Act and the Statutory Bodies (Accounts and Audit) Act 1972. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair 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.

Auditor's Responsibility

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

Opinion

In my opinion, the financial statements give a true and fair view of the state of affairs of the Sugar Insurance Fund Board as of 31 December 2007, and of its income and expenditure and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Statutory Bodies (Accounts and Audit) Act 1972.

Code of Corporate Governance

The directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius. Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the code.


(Dr R. JUGURNATH)
Director of Audit
National Audit Office
Level 14,
Air Mauritius Centre
Port Louis
Republic of Mauritius

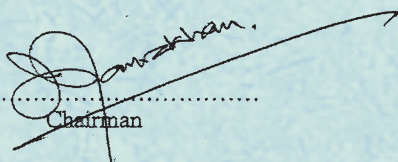
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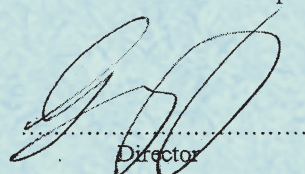
BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	31 December 2007 MUR	Restated 30 June 2006 MUR
NON-CURRENT ASSETS			
Property, plant and equipment	5	126,381,193	73,465,668
Investments in securities and deposits	6	1,089,234,863	1,305,966,263
Investment Properties	7	55,000,000	28,500,000
Long term loans	8	53,431,094	73,819,549
		<u>1,324,047,150</u>	<u>1,481,751,480</u>
CURRENT ASSETS			
Accounts receivable	9	19,264,144	868,103,894
Investments in securities and deposits	6	1,737,642,842	867,884,075
Investment Properties held for sale	10	10,050,000	-
Short term loans	11	1,204,992,808	351,839,309
Bank and cash balances		3,636,665	4,317,405
Short term deposits	12	582,906,285	607,374,937
		<u>3,558,492,744</u>	<u>2,699,519,620</u>
TOTAL ASSETS		<u>4,882,539,894</u>	<u>4,181,271,100</u>
EQUITY AND LIABILITIES			
RESERVES			
Accumulated funds		3,040,426,961	2,917,835,947
Revaluation reserves		850,811,907	500,407,799
TOTAL EQUITY		<u>3,891,238,868</u>	<u>3,418,243,746</u>
NON-CURRENT LIABILITIES			
Provision for staff passage benefits	13	4,022,390	5,980,260
Long term employees benefits	14	33,064,405	34,110,266
Retirement benefit obligations	15	79,859,794	85,030,000
		<u>116,946,589</u>	<u>125,120,526</u>
CURRENT LIABILITIES			
Accounts payable	16	874,354,437	637,906,828
TOTAL EQUITY AND LIABILITIES		<u>4,882,539,894</u>	<u>4,181,271,100</u>

Approved by the Board of Directors and authorised for issue on 27 March 2008 and subsequently amended on 21 August 2008.


Chairman


Director

INCOME STATEMENT

FOR THE 18 MONTHS ENDED 31 DECEMBER 2007

	Note	18 months ended 31 December 2007 MUR	Restated Year ended 30 June 2006 MUR
GENERAL INSURANCE ACCOUNT			
Insurance premium		831,427,538	843,333,422
Co-reinsurance premium		4,364,755	15,812,502
Insurance premium ceded to re-insurers		(83,191,051)	(98,956,256)
Net insurance premium		752,601,242	760,189,668
Insurance compensation		(857,566,201)	(573,706,449)
		(104,964,959)	186,483,219
Investment income			
- Interest income	19	343,960,138	160,532,605
- Dividends on Available-for-sale securities		25,151,257	10,008,946
Other income		392,933	577,764
Surplus on revaluation of investment properties		36,550,000	-
Exchange gain/(loss) on revaluation of foreign deposits		(30,768,510)	41,953,626
Profit on sale - Available-for-sale securities		8,276,945	-
- Plant, property & equipment		311,622	-
Creditors written back		-	6,764
Net income		278,909,426	399,562,924
Operating expenses			
Administrative	20	153,146,450	94,473,918
Retirement benefits (release)/charge		(5,170,206)	(6,180,000)
Provision for Employees Benefits		4,164,467	533,768
Depreciation		4,384,058	3,700,530
Actuarial fees		-	1,173,000
Debtors written off		-	1,142,140
Total operating expenses		156,524,769	94,843,356
Surplus to General Fund for the period/year		122,384,658	304,719,568
FIRE INSURANCE ACCOUNT			
Insurance premium		7,116,282	6,104,257
Insurance compensation		(7,159,926)	(9,866,192)
		(43,644)	(3,761,935)
(Deficit) to Fire Fund for the period/year		(43,644)	(3,761,935)
Total surplus for the period/year		122,341,014	300,957,633

STATEMENT OF CHANGES IN EQUITY

FOR THE 18 MONTHS ENDED 31 DECEMBER 2007

	General	Fire	<---Revaluation reserves--->	Staff Housing	Total
	Fund MUR	Fund MUR	Property MUR	Fund MUR	MUR
At 01 July 2005:					
- As restated at 30 June 2005	2,573,554,398	26,718,017	64,460,487	21,351,835	3,061,829,103
Prior year adjustment – Y/E 30/06/05 – Employee Benefits (see note 1 below)	(33,576,498)				(33,576,498)
Movement during the year	4,003,475	-	-	(2,483,367)	1,520,108
Increase in fair value of available- for-sale investments	-	-	-	-	87,013,600
Increase in fair value of motor vehicles	-	-	499,800	-	499,800
Transfer	348,954	-	(348,954)	-	-
Net surplus/(Deficit) for the year	304,719,568	(3,761,935)	-	-	300,957,633
Reclassification of investment properties	26,961,500	-	(26,961,500)	-	-
At 30 June 2006	2,876,011,397	22,956,082	37,649,833	18,868,468	3,418,243,746
Revaluation reserves realised on disposal	250,000	-	(250,000)	-	(5,169,750)
Surplus on revaluation of Land & Buildings	-	-	53,106,750	-	53,106,750
Increase in fair value of available-for-sale investments	-	-	-	302,717,108	302,717,108
Net surplus/(deficit) for the year	122,384,658	(43,644)	-	-	122,341,014
At 31 December 2007	2,998,646,055	22,912,438	90,506,583	18,868,468	3,891,238,868

NOTE:

1. A prior year adjustment has been made to the financial year ended 30 June 2005 to account for the monetary value of employee benefits (vacation and sick leave).

CASH FLOW STATEMENT

FOR THE 18 MONTHS ENDED 31 DECEMBER 2007

	18 months ended 31 December 2007 MUR	Restated Year ended 30 June 2006 MUR
OPERATING ACTIVITIES		
Net surplus for the period/year	122,341,014	300,957,633
Adjustments for:		
Provision for passage benefits	3,495,038	2,385,463
Payment of passage benefits	(4,732,908)	(2,380,442)
Movement in Staff Housing Fund	-	(2,483,367)
Depreciation	4,384,058	3,700,530
Investment income	(95,156,555)	(71,983,066)
(Profit)/loss on sale of Plant & Equipment	(311,622)	17,168
Gain on disposal of Available-for-sale securities	(8,276,945)	-
Retirement benefits released	(5,170,206)	(6,180,000)
Provision for Employees benefits	4,164,467	533,768
Surplus on revaluation of investment properties	(36,550,000)	-
OPERATING (LOSS) /SURPLUS BEFORE WORKING CAPITAL CHANGES	(15,813,660)	224,567,687
Decrease in accounts receivable	848,230,666	137,850,109
Increase in accounts payable	230,517,282	2,926,911
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,062,934,288	140,777,020
INVESTING ACTIVITIES		
Purchase of investments	(3,356,465,681)	(1,047,744,204)
Proceeds from investments matured/sold	3,081,056,711	777,672,504
Purchase of plant and equipment	(4,516,086)	(3,502,665)
Proceeds from sale of plant and equipment	634,875	20,505
NET CASH USED IN INVESTING ACTIVITIES	(279,290,180)	(273,553,860)
FINANCING ACTIVITIES		
Short term loans granted	(1,232,334,124)	(292,950,724)
Proceeds from short term loans	402,543,088	242,145,362
Net proceeds from/(repayment) of long term loans	20,997,537	10,717,945
Proceeds from Staff Housing Fund	-	4,003,475
NET CASH USED IN FINANCING ACTIVITIES	(808,793,499)	(36,083,942)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(25,149,392)	55,706,905
CASH AND CASH EQUIVALENTS AT 1 JULY	611,692,342	555,985,437
CASH AND CASH EQUIVALENTS AT FINANCIAL PERIOD/ YEAR END	586,542,950	611,692,342
REPRESENTED BY:		
Bank and cash balances	3,636,665	4,317,405
Short term deposits	582,906,285	607,374,937
	586,542,950	611,692,342

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

1. GENERAL

1. Legal form and main objective

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

1.2 Change in reporting period

Following amendments by SIF Amendment Act No.7 of 2007, the financial year end of the Fund has changed from 30th of June to 31st December. Consequently, figures for the current financial period are not fully comparable with those of the previous financial year.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Standards and interpretations effective in the current period

In the current period, the Fund has adopted IFRS 7 Financial Instruments: Disclosure which is effective for annual reporting periods beginning on or after 1 January 2007. The impact of the adoption of IFRS 7 has been to expand the disclosures provided in these financial statements regarding the Fund's financial instruments.

Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

IAS 1	<i>Amendments to IAS 1: Presentation of Financial Statements - Comprehensive Revision including requiring a Statement of Comprehensive Income</i>
IAS 1	<i>Amendments to IAS 1: Amendments relating to Disclosure of Puttable Instruments and Obligations arising on Liquidation</i>
IAS 23	<i>Borrowing costs - Comprehensive Revision to prohibit Immediate Expensing</i>
IAS 27	<i>Consolidated and Separate Financial Statements - Consequential amendments arising from Amendments to IFRS 3</i>
IAS 28	<i>Investments in Associates - Consequential amendments arising from Amendments to IFRS 3</i>
IAS 31	<i>Investments in Joint Ventures - Consequential amendments arising from Amendments to IFRS 3</i>
IFRS 2	<i>Share-Based Payments -Amendment relating to Vesting Conditions and Cancellations</i>
IFRS 3	<i>Business Combinations - Comprehensive Revision on applying the Acquisition Method</i>
IFRS 8	<i>Operating Segments</i>
IFRIC 11	<i>IFRS 2: Group and Treasury Share Transactions</i>
IFRIC 12	<i>Service Concession Arrangements</i>
IFRIC 13	<i>Customer Loyalty Programme</i>
IFRIC 14	<i>IAS19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements</i>

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

3. ACCOUNTING POLICIES

The principal accounting policies of the Fund are:

3.1 Basis of preparation

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

3.2 Revenue recognition

General Insurance Premium Income Account

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

Fire Insurance Premium Income Account

Insurance premium income contributed to Fire Insurance Account is determined on the basis of MUR 12.50 per ton of insurable sugar under the Fifth Schedule of the Sugar Insurance Fund Act No 4 of 1974 (as subsequently amended).

Other revenues

These are recognised on the following bases:

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

Interest income is recognised on an accrual basis.

3.3 Insurance contracts

(a) Recognition and measurement

Insurance contracts provided by the Fund protect the customers from the consequences of events such as cyclones, droughts and excessive rainfall that would affect their sugar production.

Compensation paid on occurrence of the specified insurance events are linked to the extent of economic loss suffered by the insured. Premiums are recognised as revenue earned proportionally over the period of coverage.

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

(b) Liability adequacy test

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

(c) Insurance contracts held

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

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

3.4 Property, plant and equipment

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

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

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

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

At each balance sheet date, the Fund reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

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

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

3.5 Investment property

Investment property which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of value of investment property are included in the income statement in the period in which they arise.

3.6 Non-current assets 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.

3.7 Foreign currencies

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

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

3.8 Insurance compensation

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

3.9 Cash and cash equivalents

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

3.10 Provisions

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

3.11 Comparative figures

Comparative figures have been restated or regrouped to conform to the current years presentation.

3.12 Retirement benefit obligations

Defined Benefit Plan

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

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

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

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

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

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

State Plan

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

3.13 Financial instruments

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

(a) Financial Assets

Classification

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

(i) *Financial assets at FVTPL*

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

A financial asset is classified as held for trading if:

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

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

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

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

(ii) *Held-to-maturity investments*

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

Effective interest method

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

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

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

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

(iv) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date.

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

For all other financial assets evidence of impairment could include:

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

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, 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 against 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 directly in equity.

Derecognition of financial assets

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

(b) Financial liabilities

Classification

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

(i) Financial liabilities at FVTPL

The Fund due to its nature of activities does not hold any financial liabilities designated "at FVTPL"

(ii) Other financial liabilities

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

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold/ Leasehold Land MUR	Buildings MUR	Improvement to Land and Buildings MUR	Furniture & Other Equipment MUR	Motor Vehicles MUR	Computer Equipment & Software MUR	Total MUR
COST AND VALUATION							
At 01 July 2005	52,900,000 (28,500,000)	45,800,000	872,293	11,051,313	1,812,553	2,336,007	114,772,166 (28,500,000)
Classification of investment properties							3,502,665
Additions	-	-	168,853	261,059 (68,240)	-	3,072,753	(68,240)
Disposals	-	-	-	-	(1,812,353)	-	(1,812,353)
Elimination of accumulated depreciation					499,800	-	499,800
Surplus on revaluation					500,000	5,408,760	88,394,038
At 30 June 2006	24,400,000	45,800,000	1,041,146	11,244,132	500,000	5,408,760	47,381,750
Revaluation surplus	26,856,750	20,525,000	462,745	479,250	1,187,359	1,368,482	4,516,086
Additions	1,018,250	-	-	(109,580)	(250,000)	(61,114)	(420,694)
Disposals	-	-	-	11,613,802	1,437,359	6,716,128	139,871,179
At 31 December 2007	52,275,000	66,325,000	1,503,891	11,613,802	1,437,359	6,716,128	139,871,179
DEPRECIATION							
At 1 July 2005	-	4,580,000	216,622	5,565,873	1,450,044	1,258,221	13,070,760
Charge for the year	-	1,145,000	104,114	1,111,954	362,309	977,153	3,700,530
Disposals	-	-	-	(30,567)	(1,812,353)	-	(30,567)
Elimination of accumulated depreciation							(1,812,353)
At 30 June 2006	-	5,725,000	320,736	6,647,260	-	2,235,374	14,928,370
Elimination of accumulated depreciation		(5,725,000)					(5,725,000)
Charge for the year	-	276,354	222,156	1,661,689	431,208	1,792,651	4,384,058
Disposals	-	-	-	(40,191)	-	(57,250)	(97,441)
At 31 December 2007	-	276,354	542,892	8,268,758	431,208	3,970,775	13,489,987
NET BOOK VALUE							
At 31 December 2007	52,275,000	66,048,646	960,999	3,345,044	1,006,151	2,745,353	126,381,193
At 30 June 2006	24,400,000	40,075,000	720,410	4,596,872	500,000	3,173,386	73,465,668

Freehold land and buildings were revalued in October 2007 by Alan Tinkler, Ramlackhan & Co. (Principal – Rhoy Ramlackhan, B.Sc (Hons), M.R.I.C.S, M.M.I.S. Chartered Valuation Surveyor, at MUR 52.275 million and MUR 66.325 million respectively. The surplus on revaluation of MUR 53,106,750 has been credited to revaluation reserve. Motor vehicle, fair valued at Rs 250,000 by Directors on 30 June 2006 was sold during the period under report and the surplus realised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

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

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

At 31 December 2007	Cost MUR	Accumulated depreciation MUR	Net book value MUR
Freehold land	4,022,745	-	4,022,745
Buildings	39,802,301	(14,938,387)	24,863,914
Motor vehicles	2,017,359	(1,186,208)	831,151
	<u>45,842,405</u>	<u>(16,124,595)</u>	<u>29,717,810</u>
At 30 June 2006			
Freehold land	3,004,495	-	3,004,495
Buildings	39,802,301	(13,943,329)	25,858,972
Motor vehicles	1,812,553	(1,812,353)	200
	<u>44,619,349</u>	<u>(15,755,682)</u>	<u>28,863,667</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

6. INVESTMENTS IN SECURITIES AND DEPOSITS

	Available-For-Sale Securities				Held-To-Maturity Securities and Deposits	Total
	Local Quoted MUR	Local Unquoted MUR	Foreign Equities MUR	Foreign Funds MUR	MUR	MUR
AT FAIR VALUE						
At 1 July 2006:	160,684,157	316,042,835	1,431,897	102,533,314	1,593,158,135	2,173,850,338
Additions	6,014,319	125,254	42,055,105	60,020,060	3,198,376,197	3,306,590,935
Disposals/Matured/Redeemed	(6,960,000)	-	-	-	(3,020,989,516)	(3,027,949,516)
Interest receivable	-	-	-	-	71,668,840	71,668,840
Increase/(Decrease) in fair value	181,121,880	108,887,054	(2,071,574)	14,779,748	-	302,717,108
At 31 December 2007	340,860,356	425,055,143	41,415,428	177,333,122	1,842,213,656	2,826,877,705
Classified as:						
- Short term	-	-	-	-	1,737,642,842	1,737,642,842
- Long term	340,860,356	425,055,143	41,415,428	177,333,122	104,570,814	1,089,234,863
	340,860,356	425,055,143	41,415,428	177,333,122	1,842,213,656	2,826,877,705
AT COST						
At 31 December 2007	65,855,790	15,115,755	42,904,620	100,486,060	1,842,213,656	2,066,575,881
At 30 June 2006	61,631,721	14,990,501	849,515	40,466,000	1,593,158,135	1,711,095,872

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

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

Local Unquoted

Local unquoted investments comprise shares held in SICOM, Sugar Investment Trust (SIT) and The MFL Fund. Investments in SICOM and SIT have been valued on a net asset value basis at MUR 423,507,723 at 31 December 2007. Investments in The MFL Fund, which is an open-ended Fund, are stated at market value at MUR 1,547,419 at 31 December 2007.

Foreign Equities

Investments in foreign equities, including shares held in African Reinsurance Corporation (Africa Re), Investec GSF, Comgest Asia, Comgest Growth, Global Sarasin C1 Equity Funds, UK Equity Fund "A" Inc., UBS LUX Equity Fund are stated at market value based on exchange rate ruling at the Balance Sheet date.

Foreign Funds

Investments in foreign funds, including investments in fixed income securities, mutual funds (SICAV), L & C Global Growth Fund, UBS LUX, MAN AHL are stated at market value based on the exchange rate ruling at the Balance Sheet date.

(b) Held-To-Maturity Securities and Deposits

Held-To-Maturity Securities and Deposits, which are stated at amortised cost, bear interests at rates ranging from 7.60 % to 13.15 % per annum to mature between January 2008 and August 2010 and comprise of :

	31 December 2007 MUR	30 June 2006 MUR
Treasury Bills	361,121,080	1,056,003,303
Treasury Notes	298,837,787	481,915,781
Deposits	1,182,254,789	55,239,051
	<u>1,842,213,656</u>	<u>1,593,158,135</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

7. INVESTMENT PROPERTIES

	31 December 2007 MUR	30 June 2006 MUR
As at 1 July	28,500,000	28,500,000
Add: Surplus on revaluation	36,550,000	-
Less: Investment properties held for sale (see note 10)	(10,050,000)	-
	<u>55,000,000</u>	<u>28,500,000</u>

Investment properties were revalued in October 2007 at MUR 65,050,000 by Alan Tinkler, Ramlackhan & Co., the principal partner being Mr. Rhoy Ramlackhan, B.Sc (Hons), M.R.I.C.S, M.M.I.S. Chartered Valuation Surveyor.

8. LONG TERM LOANS, carried at amortised cost

		31 December 2007 MUR	30 June 2006 MUR
Loan to Mauritius Housing Company Ltd	(i)	40,000,000	56,000,000
Motor Vehicles Loans	(ii)	3,801,698	5,628,489
Personal Loans	(iii)	64,021	53,192
Other Loans	(iv)	9,565,375	12,137,868
		<u>53,431,094</u>	<u>73,819,549</u>

(i) *Loan to Mauritius Housing Company Ltd*

Total amount due	48,000,000	64,000,000
Deduct: Amount falling due within one year (Note 9)	(8,000,000)	(8,000,000)
Amount falling due after more than one year	<u>40,000,000</u>	<u>56,000,000</u>

The loan is guaranteed by the Government of Mauritius. The original amount is reimbursable in 15 yearly instalments, with effect from December 1997, with interest being payable quarterly at the prevailing Repo Rate plus four decimal fifty percent capped to a minimum of 8.5% per annum (13.0% p.a as at 31 December 2007)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

8. LONG TERM LOANS, carried at amortised cost (CONT'D)

(ii) Motor Vehicles Loans (staff)

Total amount	6,013,105	8,094,665
Deduct: Amount falling due within one year (Note 9)	(2,211,407)	(2,466,176)
Amount falling due after more than one year	<u>3,801,698</u>	<u>5,628,489</u>

Motor vehicle loans to staff bear interest at 7.5% per annum.

(iii) Personal Loans (staff)

Total amount due	328,749	284,239
Deduct: Amount falling due within one year (Note 9)	(264,728)	(231,047)
Amount falling due after more than one year	<u>64,021</u>	<u>53,192</u>

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

(iv) Other Loans (staff)

	31 December 2007 MUR	30 June 2006 MUR
Total amount due	10,838,164	13,798,652
Deduct: Amount falling due within one year (Note 9)	(1,272,789)	(1,660,784)
	<u>9,565,375</u>	<u>12,137,868</u>

Loans to staff bear interest at rates ranging from 9.00% to 13.00% per annum as per the conditions of service, as well as the amount of the loan.

9. ACCOUNTS RECEIVABLE

	31 December 2007 MUR	30 June 2006 MUR
Insurance receivables	-	849,437,679
Loan - Mauritius Housing Company Ltd (Note 8(i))	8,000,000	8,000,000
Housing loans (Note 8(iv))	1,272,789	1,660,784
Motor vehicles loans (Note 8(ii))	2,211,407	2,466,176
Personal loans (Note 8(iii))	264,728	231,047
Interest receivable	758,429	4,538,681
Debtors for compensation and insurance premium receivable	1,625,194	1,769,527
Dividends receivable	4,943,017	-
Other receivables/Prepayments	188,580	-
	<u>19,264,144</u>	<u>868,103,894</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

10. ASSETS CLASSIFIED AS HELD FOR SALE

	31 December 2007 MUR	30 June 2006 MUR
Land held for sale	10,050,000	-

The land relates to 2490.3 square metres and 2110.4 square metres at Bramsthan and Goodlands respectively which the Fund intends to dispose of.

11. SHORT TERM LOANS, carried at amortised cost

	31 December 2007 MUR	30 June 2006 MUR
Loans to planters (Note (i))	170,969	904,637
Loans to Mauritius Sugar Syndicate - MSS (Note (ii))	1,204,821,839	350,934,672
	<u>1,204,992,808</u>	<u>351,839,309</u>

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

(ii) *Loans to MSS include an amount of MUR 961,761,839 which is mainly Crop 2007 Premium receivable on 31st December 2007 and Euro 6 Million bearing interest rates favourable to the Fund. (see note 20.3)*

12. SHORT TERM DEPOSITS

	31 December 2007 MUR	30 June 2006 MUR
Foreign Currency deposits with banks:		
USD	453,291,811	322,651,738
EURO	95,660,564	255,852,202
GBP	28,704,067	26,119,953
Deposit on call at banks	5,249,843	2,751,044
	<u>582,906,285</u>	<u>607,374,937</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

13. PROVISION FOR STAFF PASSAGE BENEFITS

	31 December 2007 MUR	30 June 2006 MUR
At 1 July	8,360,260	8,355,239
Payment during the period/year	(4,732,908)	(2,380,442)
Provision for the period/year	3,495,038	2,385,463
At financial year end	7,122,390	8,360,260
<u>Less:</u> Amount due within one year (Note 16)	(3,100,000)	(2,380,000)
At 31 December / 30 June	4,022,390	5,980,260

14. LONG TERM EMPLOYEES BENEFITS

	31 December 2007 MUR	30 June 2006 MUR
At 01 July	34,110,266	33,576,498
Charge for the period/year	4,164,467	533,768
	38,274,733	34,110,266
<u>Less:</u> Short term employee benefits (Note 16)	(5,210,328)	-
At 31 December / 30 June	33,064,405	34,110,266

15. RETIREMENT BENEFIT OBLIGATIONS

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

The following employee benefits information is based on the report submitted by the State Insurance Company of Mauritius Ltd (SICOM) dated 19 February 2008 and the net liability does not take into account any future liability that may arise on application of PRB 2008 Report.

(I) *Amounts recognised in balance sheet:*

	31 December 2007 MUR	30 June 2006 MUR
Present value of funded obligation	366,872,654	323,900,000
Fair value of plan assets	(299,924,296)	(238,870,000)
	66,948,358	85,030,000
Unrecognised actuarial gain	12,911,436	-
Net liability in balance sheet	79,859,794	85,030,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

15. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(ii) *Amounts recognised in income statement:*

	18 Months ended 31 December 2007 MUR	Year ended 30 June 2006 MUR
Current service cost	12,160,988	7,220,000
Interest on obligation	54,887,306	32,370,000
Expected return	(42,092,650)	(23,340,000)
Actuarial gain recognised	(12,911,436)	(9,790,000)
Total included in staff costs	12,044,208	6,460,000
Actual return on plan assets	64,158,477	28,220,000

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

	31 December 2007 %	30 June 2006 %
Discount Rate	11.00	10.50
Expected Return	11.50	11.00
Increase in Pension	6.00	5.50
Salary increases	8.00	7.50

(iv) *Movements in liability recognised in the balance sheet:*

	18 Months ended 31 December 2007 MUR	Year ended 30 June 2006 MUR
At 1 July		
- As previously reported	85,030,000	-
- Effect of IFRS adoption	-	91,210,000
- As restated		91,210,000
Total included in staff costs above	12,044,208	6,460,000
Contributions paid	(17,214,415)	(12,640,000)
At 31 December / 30 June	79,859,794	85,030,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

15. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

	18 Months ended 31 December 2007 MUR	Year ended 30 June 2006 MUR
Present value of obligation at start of period	323,900,000	308,260,000
Current service cost	12,160,988	7,220,000
Interest cost	54,887,306	32,370,000
(Benefits paid + interest)	(20,318,597)	(16,330,000)
Liability (gain)/loss	(3,757,043)	(7,620,000)
Present value of obligation at end of period	366,872,654	323,900,000

(vi) *Reconciliation of fair value of plan assets:*

	31 December 2007 MUR	30 June 2006 MUR
Fair value of plan assets at start of period	238,870,000	213,780,000
Expected return on plan assets	42,092,650	23,340,000
Employer contributions	17,644,230	12,640,000
(Benefits paid + other outgo)	(20,748,411)	(15,770,000)
Asset gain/(loss)	22,065,827	4,880,000
Fair value of plan assets at end of period	299,924,296	238,870,000

(vii) *At balance sheet date, the assets of the plan were:*

	% of fair value of total plan assets 31 December 2007	30 June 2006
Government securities & cash	46.20	57.00
Overseas equities & bonds	17.00	17.00
Local equities	26.70	15.80
Loans	9.10	9.00
Property	1.00	1.10
Debentures stocks	0.00	0.10
	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

15. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

	31 December 2007 MUR	30 June 2006 MUR
Fair value of plan assets	299,924,296	238,870,000
Present value of defined benefit obligation	(366,872,654)	(323,900,000)
Surplus /(deficit)	(66,948,358)	(85,030,000)
Asset experience gain/(loss) during the period	22,065,827	4,880,000
Liability experience (gain)/loss during the period	3,757,043	7,620,000

(ix) *Expected Employer's contributions for the year ending 31 Dec 2008: Rs. 14,630,595*

16. ACCOUNTS PAYABLE

	31 December 2007 MUR	30 June 2006 MUR
Provision for insurance compensation	851,330,100	583,572,641
Reinsurance premiums payable	11,561,474	49,785,975
Creditors for compensation and premium	162,205	145,541
Amounts owed to SIT planters	2,201	2,201
Other Creditors	291,308	366,308
Accruals	2,696,821	1,654,162
Provision for staff passage benefits (note 13)	3,100,000	2,380,000
Short term employee benefits (note 14)	5,210,328	-
	874,354,437	637,906,828

17. REINSURANCE PREMIUM

Reinsurance premium was paid under contracts signed for an aggregate cover of 90% of 150% of the general insurance premium in excess of 150% of the general premium income. The Fund is a co-reinsurer to an extent of 5% of the cover.

18. TAXATION

The Fund is exempt from income tax.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

19. INTEREST INCOME

	18 months ended 31 December 2007 MUR	Year ended 30 June 2006 MUR
Held to maturities deposits	244,347,482	104,535,756
Cash and cash equivalent	38,160,567	21,581,012
Loans & receivables	61,442,896	34,415,837
Others	9,193	-
	<u>343,960,138</u>	<u>160,532,605</u>

20. ADMINISTRATIVE EXPENSES

	18 Months ended 31 December 2007 MUR	Year ended 30 June 2006 MUR
Included in administrative expenses are:		
Staff costs	131,847,839	86,984,227
Directors fees	1,042,552	714,227
Auditors' remuneration	<u>200,000</u>	<u>150,000</u>

21. RELATED PARTY TRANSACTIONS

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

	31 December 2007 MUR	30 June 2006 MUR
(a) <i>Outstanding balances</i>		
Loans receivable from:		
- Key management personnel	509,999	876,002
- Entity under common control	<u>48,000,000</u>	<u>64,000,000</u>
	<u>48,509,999</u>	<u>64,876,002</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

RELATED PARTY TRANSACTIONS (CONT'D)

	31 December 2007 MUR	30 June 2006 MUR
<i>(b) Transactions with entity under common directorship</i>		
- Deposits	165,092,359	-
- Loans granted	<u>1,204,821,839</u>	<u>350,934,672</u>

Transactions with entity under common directorship represent:

- (I) deposits with Afrasia Bank and Capital Leasing Co. Ltd.
- (II) loans granted to the Mauritius Sugar Syndicate.

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

	31 December 2007 MUR	30 June 2006 MUR
<i>(c) Transactions during the year</i>		
<i>(i) Loan and interest receivable transactions with key management personnel:</i>		
- Loans granted	<u>-</u>	<u>517,950</u>
- Loans refunded	<u>366,003</u>	<u>205,062</u>
- Interest receivable on loans	<u>76,004</u>	<u>54,453</u>

These are loans granted under conditions of service.

(ii) Compensation of key management personnel:

- Short term benefits	3,431,880	2,543,420
- Post-employment benefits contribution	507,878	328,020
- Other benefits	1,272,591	832,377
	<u>5,212,349</u>	<u>3,703,817</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

22. FINANCIAL INSTRUMENTS

22.1 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 income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

22.2 Categories of financial instruments

Financial assets

	31 December 2007 MUR	30 June 2006 MUR
- Held to maturity investments	1,842,213,656	1,593,158,135
- Loans and Receivables (including cash & Cash Equivalents and excluding prepayments)	1,864,042,417	1,905,455,094
- Available for sale financial assets	984,664,049	580,692,203
	<u>4,690,920,122</u>	<u>4,079,305,432</u>

Financial liabilities

	31 December 2007 MUR	30 June 2006 MUR
Liabilities at Amortised cost	<u>991,091,383</u>	<u>764,871,393</u>

22.3 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) Market risk

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

22. FINANCIAL INSTRUMENTS (CONT'D)

22.3 Financial risk management (cont'd)

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

Currency profile

	Financial assets 2007 MUR	Financial liabilities 2007 MUR	Financial assets 2006 MUR	Financial liabilities 2006 MUR
<u>Currency</u>				
Mauritian Rupees	3,651,643,709	991,091,383	3,370,716,319	728,917,088
United States Dollars	631,955,992	-	426,616,948	-
Euro	378,804,933	-	255,852,202	-
British Pounds	28,704,067	-	26,119,963	-
	<u>4,691,108,701</u>	<u>991,091,383</u>	<u>4,079,305,432</u>	<u>764,871,393</u>

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 2007 MUR	30 June 2006 MUR
Profit or loss in Balance Sheet	4,532,918	3,226,517
Revaluation Reserve in Balance Sheet	1,786,642	1,039,652

(b) EURO Impact

	31 December 2007 MUR	30 June 2006 MUR
Profit or loss in Balance Sheet	3,387,206	2,558,522
Revaluation Reserve in Balance Sheet	400,844	-

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

The Fund's sensitivity to foreign currency has increased during the current period mainly due to investments in foreign equities and increased deposits in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

22. FINANCIAL INSTRUMENTS (CONT'D)

22.3 Financial risk management (cont'd)

* *Interest rate risk management*

The Fund is not exposed to any interest rate risk as none of its financial liabilities is interest bearing and most of the Fund's loans receivable and fixed deposits are fixed-interest bearing.

The interest rate profile of the financial assets of the Fund as at 31 December 2007 was:-

Financial assets	Currency	Fixed Interest rate		Floating Interest rate	
		2007 %	2006 %	2007 %	2006 %
Bank Deposits	MUR	8.25	8.25		-
Loan to MHC	MUR	-	-	11.50 – 13.75	10.00 - 11.50
Loan to MSS	MUR	7.85 – 11.25	7.85	-	-
Loan to MSS	EUR	3.10 – 4.20	-	-	-
Fixed deposits	MUR	10.25 – 13.15	-	-	-
Fixed deposits	GBP	4.36 – 6.10	4.35 - 4.57	-	-
Fixed deposits	USD	4.00 – 5.25	3.35 - 5.21	-	-
Fixed deposits	EUR	2.59 – 4.20	1.90 - 2.64	-	-

* *Market price risk*

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

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

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

	2007 MUR	2006 MUR
Available-for-sale securities	9,846,640	5,806,922

(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 balance sheet date since there were no outstanding insurance receivables.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

22. FINANCIAL INSTRUMENTS (CONT'D)

22.3 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 Fund manages this exposure through reinsurance.

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.

Liquidity risk tables

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 at Amortised cost	<u>2,489,821</u>	<u>853,715,428</u>	<u>12,224,188</u>	<u>-</u>

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

	<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)	409,450,000	341,110,000	773,450,000	714,310,000	-
Available-for-sale	-	-	-	-	984,664,049
Loans & Receivables	80,582,791	1,134,432,278	10,811,694	53,431,094	1,796,163
Cash & cash equivalents	586,542,950	-	-	-	-
	<u>1,076,982,791</u>	<u>1,475,542,278</u>	<u>784,261,694</u>	<u>767,741,094</u>	<u>986,460,212</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

23. MANAGEMENT OF INSURANCE RISKS

Insurance risk

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

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

Insurance contracts

(i) Frequency and severity of claims

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

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

(ii) Concentration of insurance risks

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

24. SENSITIVITY ANALYSIS

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

The assumptions used are as follows:

(i) *Climatic conditions*

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

(ii) *Estimated islandwide tonnage of canes of 4.35 millions*

Islandwide tonnage of canes is the total tonnage of canes harvested and milled.

(iii) *Estimated islandwide extraction rate of 10.35%*

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 440,000 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 63,300 Hectares*

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

(vi) *Estimated islandwide Total Insurable Sugar 568,500 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 8.3*

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

The main variable which has the most material effect on insurance liabilities is total sugar production. The Directors believe that the liability for the claims carried at the year end is adequate. An adverse variance of estimated islandwide sugar production to the extent of 1% would require the recognition of an additional loss of MUR48 million.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2007

24. CLAIMS HISTORY AND DEVELOPMENT

The claims history and development is summarised below:

General and Fire insurance

Crop Year	General and Fire Compensation	General and Fire Premium	Loss Ratio
2007	857,278,983	838,498,228	102.2%
2006	583,572,641	849,437,679	68.7%
2005	575,718,022	896,012,073	64.3%
2004	352,121,689	856,096,951	41.1%
2003	630,267,206	837,247,936	75.3%
2002	818,591,569	800,259,672	102.3%

No reinsurance proceeds were receivable from the above periods analysed.

25. CONTROLLING PARTY

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

APPENDIX B

FINANCIAL AND STATISTICAL TABLES

Appendices		Page
1	Statements of Funds	54
2	Events by Factory Area 1998-2007	55
3	Events (1957-2007)	56
4	Reinsurance	56
5	Fire Insurance	57
6	Sugar Price	57
7	Past years data	58
8	Analysis by ranking Crop 2006	59
9	Analysis by ranking Crop 2007	60
10	Credit Co-operative Societies & Millers - Crop 2006	61
11	Credit Co-operative Societies & Millers - Crop 2007	62
12	Area harvested and cane weight – Crop 2006 and Crop 2007	63 & 63 (a)
13	Number of planters, Sugar Produced & Insurable Sugar – Crop 2006 and Crop 2007	64 & 64 (a)
14	Premium, compensation & shortfall - Crop 2006 and Crop 2007	65 & 65 (a)

Statement of Funds

Year	Income				Expenditure				Operating Surplus/ Deficit	Cumulative Fund Reserves
	Net Premium	Other Contributions	Investments & Other Income	Total Income	Net Compensation	Net Reinsurance Premium	Operating Expenses	Total Expenditure		
	Note2	Note3	Note4		Note5	Note6	Note7			Note8
Up to 1996	6,745,196,867	807,619,582	1,371,401,194	8,924,217,643	6,164,737,477	1,170,673,726	632,217,958	7,967,629,161	956,588,482	956,588,482
1997/ 1998	660,772,131	-	100,988,851	761,760,982	312,306,442	88,187,836	65,791,365	466,285,643	295,475,339	1,252,063,821
1998/ 1999	734,199,840	-	111,271,305	845,471,145	388,348,502	98,333,374	73,589,754	560,271,630	285,199,515	1,537,263,336
1999/ 2000	675,519,379	1,301,784,325	142,517,307	2,119,821,011	2,282,548,059	194,151,127	77,667,622	2,554,366,808	(434,545,797)	1,102,717,539
2000/ 2001	637,516,175	204,239	121,474,106	759,194,520	359,467,735	75,133,343	78,558,068	513,159,146	246,035,374	1,348,752,913
2001/ 2002	727,453,281	-	188,511,709	915,964,990	69,844,329	171,179,007	90,085,102	331,108,438	584,856,552	1,933,609,465
2002/ 2003	800,228,759	-	255,044,145	1,055,272,904	814,135,579	185,291,404	95,418,324	1,094,845,307	(39,572,403)	1,894,037,062
2003/ 2004	837,256,065	-	432,189,979	1,269,446,044	629,033,959	145,377,305	93,884,812	868,296,076	401,149,968	2,295,187,030
2004/ 2005	896,012,073	-	177,893,428	1,073,905,501	575,718,022	91,126,553	101,975,541	768,820,116	305,085,385	2,600,272,415
2005/ 2006	849,437,679	-	244,393,634	1,093,831,313	583,572,641	83,143,754	130,263,893	796,980,288	296,851,025	2,897,123,440
2007	838,543,820	-	388,880,681	1,227,424,501	864,726,127	83,191,051	154,471,088	1,102,388,266	125,036,235	3,022,159,675
Total	14,402,136,069	2,109,608,146	3,534,566,339	20,046,310,554	13,044,438,872	2,385,788,480	1,593,923,527	17,024,150,879	3,022,159,675	

Notes

- Figures for financial years 2003/2004 and 2004/2005 and 2006/2007 have been restated on application of new IFRS.
- Net premium includes Total General and Fire Premium receivable from all insureds, net of adjustments.
- Other contributions include receipts from Price Stabilisation Fund, Cyclone and Drought Reserve Fund, Special levy, Recoveries from Reinsurers and other transfers from reserves.
- Other Income includes all other items not classified under Note 2 and 3 and also includes items posted directly to reserves.
- Net compensation includes amounts payable during the financial year/period, net of adjustments.
- Reinsurance premium is based on amounts payable during the financial year/period, net of adjustments.
- Operating expenses include all other items not classified under Note 5 and 6.
- The cumulative reserves excludes amount in the Housing Fund which stood at Rs 18,868,468.

APPENDIX 2

Events by Factory Area, 1998 - 2007

Factory Area	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
North										
Beau Plan	D	Closed								
Belle Vue	D	D	D	D	C&D&E	C&D	---	D&E	D&E	C&D&E
Mon Loisir	D	D	D	D	C&D&E	C&D	---	D&E	D&E	C&D&E
East										
Beau Champ	D	C&D	D&E	D	C&D&E	C&E	E	E	C&D&E	C&D&E
FUEL	D	C&D	D&E	---	C&D&E	C&E	E	E	C&D&E	C&D&E
South										
Bel Ombre	E	Closed								
Britannia	D&E	D	D	D	C&D&E	Closed				
Mon Tresor	D	C&D	D	---	C&D&E	C&E	E	E	C&D&E	Closed
Riche en Eau	D	C&D	D&E	---	C&D&E	C&E	E	E	C&D&E	Closed
Rose Belle	D	D	D	D	Closed					
Savannah	D	C&D	D&E	---	C&E	C&E	E	E	C&D&E	C&D&E
St Felix	D&E	C&D	D	---	C&D&E	C&E	E	E	Closed	
Union	D&E	C&D	D	---	C&D&E	C&E	E	E	C&D&E	C&D&E
West & Centre										
Medine	D	C&D	D	D	C&E	D	---	D&E	D&E	C&D&E
Highlands	D	D	D	D	Closed					
Mon Desert Alma	D	D	D	D	C&D&E	C&E	E	E	C&D&E	C&D&E

APPENDIX 3 & 4

Events (1957 - 2007)

Events	1957 - 1959	1960 - 1969	1970 - 1979	1980 - 1989	1990 - 1999	2000 - 2007	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	18
D & E	—	—	2	2	2	2	8
E	—	—	1	1	—	1	3

Legend: C : Cyclone
D : Drought
E : Excessive Rainfall

Reinsurance

Year	Reinsurance Premium (Rs)	Reinsurance Compensation (Rs)
Up to 1996/1997	1,170,673,726	469,103,749
1997/1998	88,187,836	-
1998/1999	98,067,048	-
1999/2000	204,369,607	1,277,804,087
2000/2001	78,804,510	-
2001/2002	179,737,907	-
2002/2003	194,555,974	-
2003/2004	273,734,284	-
2004/2005	114,970,722	-
2005/2006	98,956,256	
2007	83,191,051	

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

APPENDIX 5 & 6

Fire Insurance

	Fire Premium	Fire Compensation Rs M	Balance of Fund
Up to 1996	38.0	31.1	13.9
1997/1998	7.1	3.6	17.4
1998/1999	7.2	7.3	17.3
1999/2000	7.1	11.5	12.9
2000/2001	6.9	2.3	17.5
2001/2002	6.8	4.2	20.1
2002/2003	6.8	3.9	23.0
2003/2004	6.6	1.8	27.8
2004/2005	6.3	11.5	22.6
2005/2006	6.1	9.9	18.8
2007	7.1	7.1	18.8

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

Sugar Price

	Planters	Millers (Rupees)	Weighted
1997	12,015	11,850	11,975
1998	13,087	13,050	13,078
1999	12,361	12,325	12,352
2000	11,066	10,950	11,040
2001	12,875	12,650	12,826
2002	14,252	14,100	14,219
2003	15,316	15,200	15,290
2004	16,094	15,900	16,051
2005	17,392	17,050	17,317
2006	17,120	16,700	17,028
2007	18,206	17,900	18,139

Past Years Data (1998 - 2007)

Crop Year	Planters (Number)	Area Harvested (Hectares)	Canes Milled	Sugar Produced	Insurable Sugar	Shortfall	General Premium	General Compensation (Rupees Th)	Crop Reduction	Events
1998	31,090	73,269	5,780,216	629,980	751,585	47,153	726,199	382,226	16	D & E
1999	31,185	73,096	3,894,992	374,544	708,151	279,317	665,473	2,231,620	47	D ; C : Davina
2000	28,461	71,912	5,109,402	571,266	690,891	54,548	630,436	356,116	17	D & E
2001	28,659	72,087	5,792,327	648,090	682,455	8,497	720,384	63,938	5	D
2002	28,165	71,482	4,874,043	523,167	684,373	94,189	793,416	814,662	24	D; E; C: Dina
2003	28,046	69,995	5,200,045	538,904	662,649	66,943	830,615	628,513	19	D; E; C: Gerry, Manou
2004	27,617	68,745	5,281,455	574,140	644,356	36,120	849,606	349,302	11	E
2005	26,898	67,404	4,984,315	521,541	628,854	54,188	889,665	566,857	17	D & E
2006	25,693	65,243	4,695,173	506,576	608,730	56,736	843,454	581,800	17	D; E; C: Diwa
2007	24,342	63,188	4,236,793	438,068	567,003	77,774	830,595	848,782	23	D; E; C: Gamede

Note: C: Cyclone; D: Drought; E: Excessive rainfall

Analysis by Ranking, Crop 2006

Ranking	Planters (Number)	Area Harvested (Hectares)	Canes Milled	Insurable Sugar (Tonnes)	Sugar Produced	Shortfall	General Premium (Rupees Th)	General Compensation
Less than 5.0	8,609	9,076	573,320	58,102	47,819	6,126	87,535	57,608
5.0-5.4	2,275	2,331	137,782	15,294	11,410	2,005	22,917	18,927
5.5-5.9	2,480	4,012	285,434	27,808	24,031	2,082	41,237	19,656
6.0-6.4	2,424	3,870	285,534	56,550	51,337	2,306	81,665	22,136
6.5-6.9	2,319	4,985	311,801	37,020	29,570	3,779	53,518	37,027
7.0-7.4	1,855	3,989	265,559	27,265	22,292	2,329	38,973	23,077
7.5-7.9	1,499	2,687	178,361	31,270	24,345	3,993	43,912	39,980
8.0-8.4	1,195	3,147	236,731	46,327	40,170	2,598	63,934	26,526
8.5-8.9	853	10,857	741,466	107,756	83,488	15,546	147,378	162,796
9.0-9.4	653	6,198	505,394	66,730	57,080	4,970	90,172	52,513
9.5-9.9	517	5,187	421,301	56,509	46,543	5,976	74,853	64,996
10.0-10.4	372	3,447	304,930	37,414	31,922	3,086	48,684	34,332
10.5-10.9	260	2,105	147,043	13,373	11,623	911	17,270	10,364
11.0-11.4	158	241	20,910	1,981	1,732	150	2,497	1,724
11.5-11.9	89	63	4,939	489	409	61	595	695
12.0-12.4	60	620	51,660	4,675	4,059	372	5,540	4,564
12.5-12.9	31	18	1,465	133	125	9	154	109
13.0-13.4	18	2,389	219,752	19,862	18,468	421	22,441	4,590
13.5-13.9	10	15	1,292	125	111	9	133	90
14.0-14.4	8	2	164	17	14	3	17	36
14.5-14.9	2	-	17	1	1	-	2	2
15.0 or more	6	4	318	29	27	4	27	52
Island	25,693	65,243	4,695,173	608,730	506,576	56,736	843,454	581,800

APPENDIX 9

Analysis by Ranking, Crop 2007

Ranking	Planters (Number)	Area Harvested (Hectares)	Canes Milled (Tonnes)	Insurable Sugar	Sugar Produced	Shortfall	General Premium (Rupees)	General Compensation
Upto5.4	10,294	10,591	560,286	64,157	44,489	10,851	103,338,854	109,368,659
5.5-5.9	2,328	2,074	116,389	13,391	9,273	2,502	21,204,307	25,291,249
6.0-6.4	2,320	3,344	201,071	22,426	16,088	3,773	35,032,147	38,739,136
6.5-6.9	2,034	5,510	359,450	48,101	35,215	7,518	73,784,957	74,348,293
7.0-7.4	1,714	3,823	266,740	46,996	36,213	5,827	71,265,265	61,153,383
7.5-7.9	1,419	4,098	245,571	38,930	28,389	6,926	58,236,695	74,592,045
8.0-8.4	1,108	3,540	201,500	37,380	26,925	7,240	55,245,736	78,996,825
8.5-8.9	868	6,391	433,539	72,310	56,910	9,486	105,318,027	105,234,386
9.0-9.4	643	4,640	329,293	47,885	39,838	4,336	68,901,669	48,781,946
9.5-9.9	475	2,934	213,171	49,440	39,425	6,383	69,774,963	73,183,163
10.0-10.4	382	9,605	758,665	76,076	62,327	8,495	106,385,607	100,605,638
10.5-10.9	258	725	70,260	5,896	5,454	196	8,044,899	2,394,538
11.0-11.4	170	2,827	215,212	19,365	16,453	1,776	25,909,547	22,005,783
11.5-11.9	123	88	6,418	675	522	117	876,626	1,473,859
12.0-12.4	78	615	51,463	4,524	4,089	202	5,643,187	2,587,821
12.5-12.9	56	31	2,420	244	199	34	299,341	458,006
13.0-13.4	31	12	999	92	82	11	109,424	145,692
13.5-13.9	15	8	636	62	53	7	70,267	91,689
14.0-14.4	13	2,327	203,310	19,012	16,092	2,085	21,111,793	29,226,635
14.5-14.9	3	1	120	16	9	6	15,937	54,972
15.0ormore	10	4	280	25	23	3	25,297	48,676
Island	24,342	63,188	4,236,793	567,003	438,068	77,774	830,594,545	848,782,394

APPENDIX 10

Credit Co-operative Societies, Crop 2006

Sector	Planters	Area	Sugar	Insurable	Premium	Compensation
	(Number)	(Hectares)	Produced	Sugar	(Rupees)	
North	3,366	2,120	11,739	14,040	20,899,623	12,430,662
East	4,105	2,475	13,132	16,908	24,216,643	22,553,546
South	3,510	2,014	10,097	13,287	19,029,583	19,712,793
West & Centre	1,321	726	3,198	4,666	6,838,602	8,803,804
Island	12,302	7,335	38,166	48,901	70,984,451	63,500,805

Millers, Crop 2006

Sector	Millers	Sugar	Insurable	General	General
	(Number)	Produced	Sugar	Premium	Compensation
North	2	27,033	29,134	41,518,310	494,261
East	2	28,497	36,832	49,177,808	55,830,018
South	4	35,356	43,669	57,734,199	51,308,226
West & Centre	2	19,884	23,613	32,540,100	14,914,486
Island	10	110,770	133,248	180,970,417	122,546,991

APPENDIX II

Credit Co-operative Societies, Crop 2007

Sector	Planters	Area	Sugar	Insurable	Premium	Compensation
		Harvested	Produced	Sugar		
	(Number)	(Hectares)	(Tonnes)		(Rupees)	
North	3,182	2,021	8,825	12,961	20,600,667	26,556,293
East	3,910	2,300	10,728	15,079	22,925,171	30,036,970
South	3,339	1,980	9,310	12,238	18,656,720	18,634,872
West & Centre	1,210	670	2,845	4,129	6,495,493	8,040,661
Island	11,641	6,971	31,708	44,407	68,678,051	83,268,796

Millers, Crop 2007

Sector	Millers	Sugar	Insurable	General	General
		Produced	Sugar	Premium	Compensation
	(Number)	(Tonnes)		(Rupees)	
North	2	20,667	28,467	42,869,375	47,923,823
East	2	24,701	33,126	47,558,431	63,438,080
South	2	32,687	40,830	57,845,318	56,038,962
West & Centre	2	17,776	22,122	32,319,582	25,230,553
Island	8	95,831	124,545	180,592,706	192,631,418

Area Harvested & Caneweight, Crop 2006

Sector		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Total
North	Area Harvested (Hectares)	992.000	1,017.000	1,176.000	1,246.000	506.000	671.000	9,421.000	15,029.000
	Cane Weight (Tonnes)	69,527.000	68,908.000	81,704.000	85,509.000	33,073.000	48,613.000	747,753.000	1,135,087.000
East	Area Harvested (Hectares)	1,073.000	1,312.000	1,475.000	1,713.000	572.000	587.000	10,747.000	17,479.000
	Cane Weight (Tonnes)	69,234.000	82,013.000	91,477.000	103,238.000	33,512.000	36,678.000	769,362.000	1,185,514.000
South	Area Harvested (Hectares)	1,047.000	1,248.000	1,219.000	1,483.000	643.000	1,106.000	14,366.000	21,112.000
	Cane Weight (Tonnes)	66,051.000	73,067.000	72,121.000	85,212.000	36,988.000	70,992.000	1,127,262.000	1,531,693.000
West & Centre	Area Harvested (Hectares)	432.000	823.000	747.000	727.000	465.000	756.000	7,673.000	11,623.000
	Cane Weight (Tonnes)	23,196.000	45,700.000	42,369.000	41,951.000	33,799.000	56,352.000	599,512.000	842,879.000
Island	Area Harvested (Hectares)	3,544.000	4,400.000	4,617.000	5,169.000	2,186.000	3,120.000	42,207.000	65,243.000
	Cane Weight (Tonnes)	228,008.000	269,688.000	287,671.000	315,910.000	137,372.000	212,635.000	3,243,889.000	4,695,173.000

APPENDIX 12 (A)

Area Harvested & Caneweight, Crop 2007

Sector		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Total
North	Area Harvested (Hectares)	929	974	1,183	1,144	440	692	9,353	14,715
	Cane Weight (Tonnes)	55,206	54,951	69,397	65,157	24,826	40,374	609,737	919,648
East	Area Harvested (Hectares)	1,016	1,325	1,358	1,534	545	664	10,307	16,749
	Cane Weight (Tonnes)	59,494	74,510	76,745	86,173	29,750	35,439	695,693	1,057,804
South	Area Harvested (Hectares)	988	1,246	1,236	1,419	653	1,189	13,797	20,528
	Cane Weight (Tonnes)	60,215	70,536	69,813	77,558	34,960	79,398	1,084,405	1,476,885
West & Centre	Area Harvested (Hectares)	383	830	682	660	470	786	7,385	11,196
	Cane Weight (Tonnes)	20,075	43,443	37,379	37,673	32,290	55,050	556,546	782,456
Island	Area Harvested (Hectares)	3,316	4,375	4,459	4,757	2,108	3,331	40,842	63,188
	Cane Weight (Tonnes)	194,990	243,440	253,334	266,561	121,826	210,261	2,946,381	4,236,793

Number of Planters, Sugar Produced & Insurable Sugar, Crop 2006

Sector		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Millers	Total
North	Number of Planters	3,986	1,418	850	428	76	23	17	2	6,800
	Sugar Produced (Tonnes)	5,602	5,562	6,595	6,931	2,860	4,212	63,716	27,033	122,511
	Insurable Sugar (Tonnes)	6,803	6,832	7,878	8,280	3,359	4,651	65,508	29,134	132,445
East	Number of Planters	4,301	1,829	1,051	598	87	33	4	2	7,905
	Sugar Produced (Tonnes)	5,889	6,948	7,791	9,038	2,857	3,092	65,445	28,497	129,557
	Insurable Sugar (Tonnes)	7,571	9,145	10,140	11,821	3,611	3,941	84,596	36,832	167,657
South	Number of Planters	4,034	1,722	871	511	96	36	22	4	7,296
	Sugar Produced (Tonnes)	5,371	5,850	5,832	6,986	3,016	5,663	94,704	35,356	162,778
	Insurable Sugar (Tonnes)	7,347	8,452	8,097	9,444	4,000	7,384	111,458	43,669	199,851
West & Centre	Number of Planters	1,720	1,085	537	249	66	25	8	2	3,692
	Sugar Produced (Tonnes)	1,911	3,721	3,488	3,501	2,922	4,885	51,418	19,884	91,730
	Insurable Sugar (Tonnes)	2,759	5,586	5,089	4,935	3,571	6,008	57,216	23,613	108,777
Island	Number of Planters	14,041	6,054	3,309	1,786	325	117	51	10	25,693
	Sugar Produced (Tonnes)	18,773	22,081	23,706	26,456	11,655	17,852	275,283	110,770	506,576
	Insurable Sugar (Tonnes)	24,480	30,015	31,204	34,480	14,541	21,984	318,778	133,248	608,730

APPENDIX 13 (A)

Number of Planters, Sugar Produced & Insurable Sugar, Crop 2007

Sector	Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Millers	Total
North	Number of Planters	1,368	856	395	68	25	13	2	6,429
	Sugar Produced (Tonnes)	4,211	5,320	5,015	1,942	3,294	49,739	20,667	94,415
	Insurable Sugar (Tonnes)	6,256	7,611	7,315	2,909	4,733	65,640	28,467	129,025
East	Number of Planters	1,854	974	541	83	33	3	2	7,566
	Sugar Produced (Tonnes)	6,112	6,282	7,063	2,452	2,940	57,249	24,701	111,680
	Insurable Sugar (Tonnes)	8,682	8,866	9,973	3,401	4,130	75,319	33,126	150,317
South	Number of Planters	1,724	881	481	95	30	17	2	6,932
	Sugar Produced (Tonnes)	5,482	5,491	6,090	2,758	6,268	85,405	32,687	148,963
	Insurable Sugar (Tonnes)	7,747	7,549	8,340	3,775	7,882	103,274	40,830	185,943
West & Centre	Number of Planters	1,085	492	226	68	24	8	2	3,415
	Sugar Produced (Tonnes)	3,429	2,969	3,033	2,677	4,635	46,888	17,776	83,010
	Insurable Sugar (Tonnes)	5,185	4,349	4,251	3,454	6,036	53,995	22,122	101,718
Island	Number of Planters	6,031	3,203	1,643	314	112	41	8	24,342
	Sugar Produced (Tonnes)	19,234	20,062	21,201	9,829	17,137	239,281	95,831	438,068
	Insurable Sugar (Tonnes)	27,870	28,375	29,879	13,539	22,781	298,228	124,545	567,003

Premium, Compensation & Shortfall, Crop 2006

Sector		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Millers	Total
North	Premium (Rs)	10,114,783	10,163,918	11,747,989	12,357,724	4,961,775	6,919,254	95,212,056	41,518,310	192,995,809
	Compensation (Rs)	7,282,108	7,133,158	6,987,509	6,630,002	2,396,636	1,720,949	3,602,912	494,261	36,247,535
	Shortfall (Tonnes)	763	748	736	697	256	179	357	52	3,788
East	Premium (Rs)	10,876,555	13,129,914	14,568,037	16,971,523	5,167,496	5,536,244	115,126,215	49,177,808	230,553,792
	Compensation (Rs)	10,377,608	13,174,559	13,701,564	15,996,427	4,074,880	5,316,441	132,527,619	55,830,018	250,999,116
	Shortfall (Tonnes)	1,071	1,342	1,395	1,637	408	511	12,459	5,388	24,211
South	Premium (Rs)	10,509,384	12,166,978	11,610,144	13,595,033	5,769,633	10,343,887	146,078,644	57,734,199	267,807,902
	Compensation (Rs)	13,085,687	16,909,205	14,469,234	14,806,065	5,787,262	11,050,580	89,627,035	51,308,226	217,043,294
	Shortfall (Tonnes)	1,311	1,717	1,461	1,495	586	1,095	8,333	4,909	20,907
West & Centre	Premium (Rs)	4,063,104	8,211,767	7,454,216	7,223,570	5,245,088	8,899,381	78,459,407	32,540,100	152,096,633
	Compensation (Rs)	5,147,303	11,381,263	9,292,951	8,149,805	3,149,658	5,990,614	19,484,305	14,914,486	77,510,385
	Shortfall (Tonnes)	536	1,183	989	844	326	606	1,832	1,514	7,830
Island	Premium (Rs)	35,563,826	43,672,577	45,380,386	50,147,850	21,143,992	31,698,766	434,876,322	180,970,417	843,454,136
	Compensation (Rs)	35,892,706	48,598,185	44,451,258	45,582,299	15,408,436	24,078,584	245,241,871	122,546,991	581,800,330
	Shortfall (Tonnes)	3,681	4,990	4,561	4,673	1,576	2,391	22,981	11,863	56,736

APPENDIX 14 (A)

Premium, Compensation & Shortfall, Crop 2007

Sector	Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Millers	Total
North	Premium (Rs)	9,696,323	9,943,971	12,124,831	11,666,866	4,555,716	7,448,877	100,136,555	198,442,514
	Compensation (Rs)	12,415,903	13,211,147	14,461,541	14,722,441	6,320,315	8,412,005	91,911,946	209,379,121
	Shortfall (Tonnes)	1,222	1,300	1,426	1,450	623	824	8,622	20,099
East	Premium (Rs)	10,417,310	13,251,374	13,501,054	15,222,356	5,187,345	6,220,140	109,082,105	220,440,115
	Compensation (Rs)	13,345,614	17,762,603	17,914,169	19,879,211	6,246,000	8,472,441	136,948,357	284,006,475
	Shortfall (Tonnes)	1,273	1,682	1,695	1,882	598	794	12,078	25,743
South	Premium (Rs)	10,023,888	11,962,915	11,557,364	12,802,022	5,814,593	11,645,342	140,789,876	262,441,318
	Compensation (Rs)	12,283,375	15,372,416	13,737,640	14,498,986	6,308,407	9,686,746	123,352,080	251,278,612
	Shortfall (Tonnes)	1,159	1,465	1,308	1,373	602	879	10,556	22,309
West & Centre	Premium (Rs)	3,664,222	8,173,298	6,810,219	6,648,076	5,442,245	9,522,037	76,690,919	149,270,598
	Compensation (Rs)	4,687,483	11,400,626	8,384,261	7,395,040	3,832,732	7,475,146	35,712,345	104,118,186
	Shortfall (Tonnes)	457	1,116	852	736	358	652	3,100	9,623
Island	Premium (Rs)	33,801,743	43,331,558	43,993,468	46,339,320	20,999,899	34,836,396	426,699,455	830,594,545
	Compensation (Rs)	42,732,375	57,746,792	54,497,611	56,495,678	22,707,454	34,046,338	387,924,728	848,782,394
	Shortfall (Tonnes)	4,111	5,563	5,281	5,441	2,181	3,149	34,356	77,774

ADDRESSES OF OFFICES

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 E-Mail: s.i.f.b@intnet.mu
 Website : www.sifb.biz

SUB-OFFICES	ADDRESS	FACTORY AREAS
Camp de Masque	Royal Road Camp de Masque Tel: 416-5520	Beau Champ
Mare D'Albert	18 Royal Road Mare D'Albert Tel: 627-4026	Mon Tresor Riche En Eau Savannah
Pamplemousses	Royal Road Maison Blanche Pamplemousses Tel: 243-3542	Belle Vue Mon Loisir
Quartier Militaire	New Road Quartier Militaire Tel: 435-5543	F.U.E.L Mon Desert Alma
Souillac	Royal Road Souillac Tel: 625-5691	Union
Vacoas	Independence Road Vacoas Tel: 696-6386	Medine

STAFF LIST

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Athion L, Audit M, Aumeerally A, Ballgobin R, Banydeen S, Basant Rai S, Belut S, Bhuttoah R, Boodhoo S, Bundhoo V, Bundhun U, Chamroo S D, Chinappen V, Coopamah P P, Dabee R, Damry K, Dewan D, Dewkurrin M, Doollub K, Gangaram J, Gangoo V, Geerjanan A, Ghumondee C, Gujadhur D, Gunesh M, Gungadeen G, Gunness B, Halkhoree S, Huree A, Ittoo S, Jagun R, Jahul A, Jankee M, Janoo S, Jatoonah S, Jeewooth V, Jhurree S, Jooron V, Kallychurn R, Khemraz Y, Koolash K, Koonja S, Kureemun U, Mahadeo R, Maulloo K, Munohur A, Neerohoo R, Pareemanun K, Parsad P, Pattoo S, Perianen D, Poreema A, Purmessur D, Purryag K, Ragen B, Ragudu M, Ramanna S, Ramaswami V, Rambojun R, Ramlall C, Ramlochund P, Ramnochane P, Ramrecha D, Ramrichia R, Ramsokul H, Runglollsing B, Sahajasein A, Seblin F, Seeboo S, Servansingh S, Shookhye V, Sonahee R, Soobrayen S, Sookun R, Soopal R, Sooruyah P, Sreemantoo N, Surjoo Rita, Tauckoor R

Camp De Masque

Baboolall R, Bhaukaurally R, Bulato G, Bumma D, Cuniah A, Jugnarain P, Kaderbatia M, Luttoo S, Maghun D, Moorut R, Nauthoo A, Nunhuck M, Pothan N, Rajoo D, Rambhojoo R, Ramdewor B, Siburuth R, Soodhoo H

Mare D'Albert

Andian M, Bansy G, Beeharry A, Bhunjun K, Bissoonauth V, Bonomally D, Boodhooa T, Buchoo J, Bundhun R, Chevathian H, Ghoola L, Groodoyal T, Kissensing N, Luchman S, Mokoonlall J, Mungra P, Mungur Harrish, Nathoo D, Nistar S, Nunnoo R, Pillay A, Pydiah N, Ramsahye A, Seebaluck K, Seechurn K, Seegolum R, Soobrayen J, Soogumbur M, Sooklall P, Soonarane T, Sunassee L

Pamplemousses

Aiahsaib M, Appa A, Appadoo P, Bachoo T K, Bamma S L, Bhuckory R, Bijlall R, Bissesur S, Bohorun B, Buton S, Callychurn S, Chacoory N, Choolun O, Chutoori H, Colomes C, Curpen D, Dinnoo P, Dookhy D, Emerith D, Goorah V, Hulkua S, Jagoo B, , Khettoo C, Khoodeeram H, Leddah I, Luckyram T, Matadeen M, Maywah R, Mungur Hunsraj, Naiko R, Narsimulu S, Punchu S, Ramasawmy P, Ramchurn I, Ramkeesoon O, Ramkurrin R, Ramsahye D, Ramsamy S, Sanassee S, Sheik Fareed Y, Sookaloo S, Sookun A, Sreepaul D, Surjoo Rajandra, Teeluck K

Quartier Militaire

Anadachee S, Arsadi R, Bachasingh Y, Baldeo R, Balgobin K, Beemadoo R, Bhoondah R, Bissessur D, Buljeeon A, Chitamun B, Coolanaden N, Daby V, Doorgah A, Golam I, Hossen N, Kadoo V, Mautadin R, Mohabeer A, Mohajeer R, Mohun S, Mookien S, Multra S, Paniken M, Ramhit S, Ramiad D S, Ramkissoon B, Ramtohil D, Roopun B, Sauba D, Seebaluck A, Seebaluck P, Seewooram A, Sheoraj K, Sohabul S, Sookun D, Taulloo P

Souillac

Appiah A, Beelattoo D, Bhooabul B, Bhunjun B, Bhurtun S, Coomaraswamy P, Coondiah V, Dewoo S, Goberdhan S, Greedharee R, Jahajeeah R, Jayeprokash D, Jamansing Y, Jumnah M, Kissensing R, Mooneesawmy S, Nuckcheda S, Nundun O, Ramdowar S, Sham R, Soobroydoo C, Teeluck J, Toory A

Vacoas

Appadoo B, Arnasalon S, Beedasy M, Bhaukaurally Reshad, Bucktowar M, Chedambarum P, Chowrimootoo F, Dargaye S, Dinajsing A, Garibdass J, Gopal S, Guenesssing T, Jeewooth R, Jhurkut S, Jules E, Kanhye S, Kathapermal S, Mangra B, Mathurah I, Motee N, Nathoo C, Oozeer R, Peerun N, Peryagh G, Ramsokul K, Rosun M, Sandean I, Seebun R, Seekuntoo R, Seewoonauth I, Sooben K, Tackopersadh S, Veeren S

Retirement

The following officers retired from the services of the Board: Mr Chedambarum P, Office Attendant; Mr Chutoori H, Senior Field Officer and Mr Neeroohoo R, Claims Officer.

Obituary

It is noted with regret that Mr M. Matadeen, Senior/ Head Office Attendant passed away on January 2007.

GLOSSARY

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