



SUGAR INSURANCE FUND BOARD

Annual Report

2011



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Chairman's Letter

The Honourable Charles Gaëtan Xavier-Luc Duval, G. C. S. K.
Vice Prime Minister
Minister of Finance and Economic Development
Port-Louis

Dear Sir

The Board of the Sugar Insurance Fund is pleased to present the Annual Report and the Audited Financial Statements for the year 2011.

Yours faithfully

A handwritten signature in black ink, appearing to read 'J. Manrakhan', with a long horizontal stroke underneath.

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

Date: 24 September 2012

Letter to Insureds

Dear Insureds,

We are pleased to present the Annual Report of the Sugar Insurance Fund Board for the year 2011. The financial statements have been prepared within the best practices applicable to insurance entities and in line with International Public Sector Accounting Standards. Following representations made, on consultation with the Board's Actuary and the approval of the Honourable Vice-Prime Minister and Minister of Finance and Economic Development, the Board has given an exceptional discount of 70 per cent on general premium crop 2011 payable by all insureds, similar to that offered for crop 2010. The equity value of the Fund is more or less stable, recorded as being MUR 5.24 billion against MUR 5.27 billion in the preceding financial year.

Corporate Information

Directors of the Board:-

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

Mr. C. Bhugun (*up to December 2011*)

Mr. R.P. Nowbuth (*as from December 2011*)

Mr. D. Bundhoo

Mr. V. Ramharai

Mr. K. Bunjun (*up to July 2011*)

Mr. G. Leung Shing

Mr. J. Seegobin

Mr. D. Pilot (*up to February 2011*)

Mr. S. Purmanund

Mr. J. C. Béga

Mr. J. Bundhoo

Chairman

Representative of the Ministry of Agro Industry and Food Security

Representative of Ministry of Agro-Industry and Food Security

Representative of the Ministry of Finance and Economic Development (Economic Unit)

General Manager, Cane Planters and Millers Arbitration and Control Board

Representative of the Ministry of Finance and Economic Development

Representative of the Mauritius Chamber of Agriculture

Representative of Planters

Representative of Planters

Representative of Planters

Representative of Millers

Representative of the Mauritius Sugar Authority

Committees of the Board

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

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

Corporate Governance Committee

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

Investment Committee

The Committee established by legislation is presided by the Chairman of the Board and comprises (i) Mr. K. Bunjun (*up to July 2011*), (ii) Mr. G. Leung Shing, (iii) Mr. J. C. Béga as members and has as attributes the investment strategies of the Fund.

Corporate Information (Contd)

Assessment Committee

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

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

Audit and Risk Management Committee

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

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

Budget and Procurement Committee

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

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

Staff Committee

The Staff Committee consisted of Mr. K. Bunjun (Chairman), Mr. C. Bhugun, Mr. J. Seegobin and Mr. S. Purmanund (members).

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

Note: Following the retirement of Mr. K. Bunjun and Mr. D. Pilot as Directors, there are three vacant positions as Directors, including an existing vacant position at the beginning of the year.

Corporate Information (Contd)

Senior Management

Mr. Diness PURRYAG

General Manager

Ms. Soochitra Devi BACHOO

Internal Auditor (on contract as from 17 October 2011)

Ms. Deeptee BOODHOO

Manager (Finance)

Mr. Johnny S.S. CHONG CHAP SIN

Senior Network Engineer

Mr. Deorajnuth GANSAM

Manager (Survey)

Mr. Gaoutam GOOROOCHURN

Chief Manager (Finance)

Mr. Youveraj NATHOO

Internal Auditor (on a one-year leave without pay with effect from 7 September 2011)

Mr. Yung Kiong J. NEWK FON HEY TOW

Chief Manager (Operations)

Mr. M. Ameen I. NOORMAHOMED

Manager (Finance)

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

Senior Software Engineer

Ms. Lakshika D. RAMKISSOON

Administrative Secretary

Mr. Jayendra SOOKDEB

Claims Manager

Mr. Krishnamoorthy P. VAYAPOOREE

Manager (Inspection)

Legal Advisers

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

Auditors

Director of Audit, National Audit Office

Re-Insurance Broker

Willis Re., Willis Limited, London

Main Bankers

Barclays Bank PLC
Mauritius Commercial Bank Ltd
State Bank of Mauritius Ltd

Acknowledgement and Thanks

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

This 22 March 2012

Corporate Governance Report

The Sugar Insurance Fund Board is a statutory body set up under the Sugar Insurance Fund Act 1974 (as subsequently amended).

Mission Statement

To provide financial support for a long term, viable and sustainable Sugar Industry.

Objectives

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

Directors' Responsibility for the Financial Statements

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

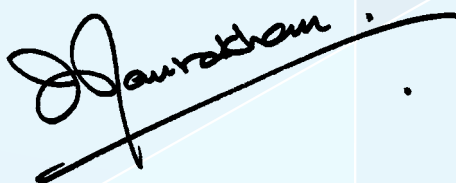
Responsibilities of the Board of Directors

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

Internal Control

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

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



Chairman



Director

Three Year Strategic Plan

The Board recently undertook an actuarial review in accordance with the provisions of SIF Act 1974, and is now proceeding to implement the relevant recommendations. These entail a marked change in the policies offered to insureds through the introduction of a threshold (25% crop reduction) applicable island-wide concerning the declaration of an event year, with a substantial reduction (50%) in premiums claimable under the General Insurance Account. Moreover, the introduction of an Electronic Document Management System is envisaged to reduce use of hard copies along with utilisation of tablet PCs for field data capture and registration of insureds staggered over five years with corresponding extended validity of registration.

The shift to such a 'more basic catastrophic type' cover foreshadowed in other reports, coupled with the use of new technologies and the staggering of registration of insureds, will enable the Board to review its operating structures and reduce its administrative expenses in line with Government policy regarding the sugar sector.

Directorate and Management

BOARD OF DIRECTORS - DIRECTORS' PROFILE



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

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

MR. CHETTANDEO BHUGUN (from October 2005 to December 2011)

DIRECTOR – Representative of Ministry of Agro Industry and Food Security

Born in 1956, Mr. C. Bhugun, Acting Permanent Secretary at the Ministry of Agro Industry and Food Security holds an MBA. He is also a Board Member of the Mauritius Sugar Terminal Corporation, the Sugar Planters Mechanical Pool Corporation and the Irrigation Authority and is the Chairperson of the Mauritius Sugar Authority since 1 December 2010.



MR. RAM PRAKASH NOWBUTH (appointed in December 2011)

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

Born in 1954, Mr. R. P. Nowbuth holds a Bachelor's Degree in Commerce and a Master's Degree in Public Sector Management. He is currently Permanent Secretary of the Ministry of Agro-Industry and Food Security and Chairperson of the newly set up Mauritius Cane Industry Authority.



MR. DEOBRUT BUNDHOO (appointed in July 2001)

DIRECTOR – Representative of Ministry of Finance and Economic Development

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



Directorate and Management (Contd)

BOARD OF DIRECTORS - DIRECTORS' PROFILE



MR. VINOD RAMHARAI (appointed in May 2008)
DIRECTOR – General Manager of Cane Planters and Millers Arbitration and Control Board

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

MR. KRESHNA NUNDUN BUNJUN (from December 2008 to July 2011)

DIRECTOR – Representative of the Ministry of Finance & Economic Development

Born in 1950, Mr K.N. Bunjun, Director (Economics & Finance) at the Ministry of Finance & Economic Development, holds a degree in Economics. He is also a member of the National Economic and Social Council and the Investment Committee of the National Pensions and National Savings Funds [NPF/NSF]. Mr Bunjun has served as Head of the Transport Policy Unit, Ministry of Land Transport & Shipping until he was appointed Assistant Director in June 2005. He has also assisted UNECA and UNDP as a freelance consultant.



MR. GEORGES LEUNG SHING (appointed in September 1992)

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. Mr. G. Leung Shing is also the Chairperson of the Mauritius Institute of Directors and the Mauritius Development Investment Trust Co Ltd, a member of the Financial Reporting Council and Financial Reporting Monitoring Panel, and a Director of Standard Bank (Mauritius) Ltd, Omnicane Ltd (formerly Mon Trésor and Mon Désert Ltd), and Mauritius Stationery Manufacturers Ltd.



MR. JUGDUTH SEEOBIN (appointed in April 2002)
DIRECTOR – Representative of Planters

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



Directorate and Management (Contd)

BOARD OF DIRECTORS - DIRECTORS' PROFILE



MR. DENIS PILOT

(from December 2004 to February 2011)

DIRECTOR – Representative of Planters

Born in 1950, Mr. D. Pilot, holder of a BSC in Agronomy (LSU), was the General Manager of Harel Frères, Operations. He is also a Director of Belle Vue Milling Co Ltd and Société Koenig Frères

MR. SRINIVASS PURMANUND

(appointed in December 2006)

DIRECTOR – Representative of Planters

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



MR. JEAN CLAUDE BÉGA

(appointed in January 2002)

DIRECTOR – Representative of Millers

Born in 1963, Mr. J. C. Béga, a fellow of the Association of Chartered Certified Accountants, is the Chief Financial Officer of GML. He is also Director of a number of companies including Lux Island Resorts Ltd, AfrAsia Bank Limited, Phoenix Beverages Limited and Mauritius Stationery Manufacturers Ltd.



MR. JUGDIS BUNDHOO (appointed in July 2009)

DIRECTOR – Representative of Mauritius Sugar Authority

Born in 1954, Mr. J. Bundhoo holds a BSC Joint Honours degree in Chemistry and Physiology from the University of Salford, a MSC in Soil Chemistry from the University of Reading and an MSC in Information Science from City University. He is Deputy Executive Director/ Human Resources Manager at the Mauritius Sugar Authority. He is also a Director of the Farmers Service Corporation and the Bagged Sugar Storage & Distribution Co. Ltd.



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.

- **SOOCHITRA DEVI BACHOO, Internal Auditor (on contract as from 17 October 2011)**

Ms. S. D. Bachoo, ACCA, also holds a BSc (Hons) in Accounting from the University of Mauritius. She joined the SIFB in October 2011.

- **DEEPTEE RAJSHREE BOODHOO, Manager (Finance)**

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

- **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, Chief Manager (Finance)**

Mr. G. Gooroochurn, FCCA, holder of an MBA, joined the SIFB as Manager Finance in September 2006. He was assigned responsibilities of Chief Manager Finance on 10 September 2007 and subsequently been appointed Chief Manager in June 2008.

- **YOUVERAJ NATHOO, Internal Auditor (on leave without pay with effect from 7 September 2011)**

Mr Y Nathoo, FCCA, MSC Finance, joined the SIFB in April 2003 as Internal Auditor and has a long experience in Accounting/Auditing in the Banking Sector.

- **YUNGKIONG JIMMY NEWKFONHEYTOW, Chief Manager (Operations)**

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

- **MOHAMED AMEEN ISHACK NOORMAHOMED, Manager (Finance)**

Mr. M. A. I. Noormahomed, ACCA, holds a BSc (Hons) in Economics & Accountancy from City University (UK) and is registered as a professional Accountant with the Mauritius Institute of Professional Accountants. He joined the SIFB in October 2009.

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

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

- **LAKSHIKA DEVI RAMKISSOON**, *Administrative Secretary*

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

- **JAYENDRA SOOKDEB**, *Claims Manager*

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

- **KRISHNAMOORTHY PILLAY VAYAPOOREE**, *Manager (Inspection)*

Mr. K.P. Vayapooree, holder of a Diploma in Land Surveying, joined the SIFB in February 1971 and is, since March 2002, Manager (Inspection).

Code of conduct

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

Board and Committee Meetings

The Board and its various committees met on 37 occasions.

Board Directors	Board meeting	CCC Committee	Corporate Governance Committee	Investment Committee	Assessment Committee	Audit Committee	Budget & Procurement Committee	Staff Committee	Total
Prof. J. Manrakhan	15/15	2/2	2/2	2/2	n/a	n/a	n/a	n/a	21
Mr. C. Bhugun (up to Dec 2011)	5/14	n/a	n/a	n/a	n/a	n/a	n/a	3/5	8
Mr. R.P. Nowbuth (from Dec 2011)	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1
Mr. D. Bundhoo	14/15	n/a	n/a	n/a	n/a	1/1	4/4	n/a	19
Mr. V. Ramharai	12/15	2/2	2/2	n/a	6/6	n/a	n/a	n/a	22
Mr. K. Bunjun (up to July 2011)	7/9	1/1	1/1	1/1	n/a	n/a	n/a	4/4	14
Mr. G. Leung Shing	15/15	2/2	2/2	2/2	n/a	n/a	4/4	n/a	25
Mr. J. Seegobin	13/15	n/a	n/a	n/a	n/a	1/1	3/4	5/5	22
Mr. D. Pilot (up to Feb 2011)	-	n/a	n/a	n/a	-	n/a	n/a	n/a	-
Mr. S. Purmanund	15/15	n/a	n/a	n/a	6/6	n/a	4/4	5/5	30
Mr. J.C. Bega	15/15	2/2	2/2	2/2	1/1	1/1	n/a	1/1	24
Mr. J. Bundhoo	10/15	n/a	n/a	n/a	6/6	n/a	n/a	n/a	16

Key: n/a – not applicable

Remuneration of Directors

The breakdown is given in the table below:

Board Directors	Total fees (in MUR)
Prof. J. Manrakhan	195,000
Mr. C. Bhugun	45,000
Mr. D. Bundhoo	45,000
Mr. V. Ramharai	48,600
Mr. K. Bunjun	32,400
Mr. G. Leung Shing	47,400
Mr. J. Seegobin	45,000
Mr. D. Pilot	7,500
Mr. S. Purmanund	45,000
Mr. J. C. Bega	46,200
Mr. J. Bundhoo	45,000

Related Party Transactions & Key Risks

Related party transactions and key risks areas have been fully disclosed in the financial statements at notes 25 and 26 respectively.

Address of Offices

Head Office

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

Sub-Offices

Camp de Masque

*(closed and being
 relocated to Bon
 Accueil)*

Mare D'Albert

Pamplemousses

Quartier Militaire

Souillac

Vacoas

Address

Royal Road
 Camp de Masque
 Tel: 416-5520

*FSC Building
 Royal Road
 Bon Accueil
 Tel: 918 1967*

18 Royal Road
 Mare D'Albert
 Tel: 627-4026

Royal Road
 Maison Blanche
 Pamplemousses
 Tel: 243-3542

New Road
 Quartier Militaire
 Tel: 435-5543

Royal Road
 Souillac
 Tel: 625-5691

Independence Road
 Vacoas
 Tel: 696-6386

Factory Areas

Beau Champ
 Ex-Constance

Savannah
 Ex-Mon Trésor
 Ex-Riche En Eau
 Ex-Rose Belle

Belle Vue
 Mon Loisir
 Ex-Beau Plan

F.U.E.L
 Ex-Mon Desert Alma

Union St Aubin
 Ex-Britannia
 Ex-St Félix
 Ex-Bel Ombre

Médine
 Ex-Highlands

Crop 2011 Overview

1.0 GENERAL INSURANCE

1.1 *Special Discount on General Premium*

The Board at its meeting of 20th October 2011 decided that another exceptional discount of 70% be granted to all insureds (millers, planters and metayers) on General Insurance Premium payable for Crop 2011 in December pending the finalization of the new insurance terms proposed by the Actuary. This follows the Board's decision of granting a discount on general premium for Crop 2009 and Crop 2010 at the rates of 10% and 70% respectively. This exceptional measure was resorted to in the wake of the Actuarial Review which if adopted can be implemented for crop 2012 earliest, and in view of the short term pressures on the sugar industry and the strength of the Fund as recommended by its Consulting Actuary.

This exceptional measure benefitted some 18,816 insureds and cost the Board around Rs397M.

1.2 *Crop 2011 Climatic Conditions*

A prolonged drought prevailed in all factory areas during the vegetative phase of 2011 crop.

On 20th December 2011, the Board in exercise of its powers under Section 25 of the Sugar Insurance Fund Act, declared Crop 2011 to be an event year in respect of all factory areas on account of drought.

1.3 *Sugar Production*

Total caneweight sent to mills for sugar production was 4.230 million tonnes resulting in a total sugar production of 439,406 tonnes at an islandwide average extraction rate of 10.39% against a Total Insurable Sugar of 481,003 tonnes, i.e. a sugar production percentage of 91%.

Total general compensation payable by the Board for Crop 2011 is to the tune of Rs191.2 M.

Following an islandwide field survey exercise, the SIFB published a report as well as a pamphlet entitled "Abandonment of Cane Lands – a survey carried out by the SIFB covering the period 2001 to 2010" which was mailed to all insureds of the SIFB and stakeholders of the sugar industry. The report, identifying the reasons of abandonment of cane plantation other than change in land use, can be browsed on our website.

1.4 *Sugar Price for Insurance*

The sugar price, for insurance purposes for Crop 2011, was, in December 2011, determined at the rates of MUR16,013 per metric tonne of sugar for planters, inclusive of the added value of molasses, and MUR15,300 per metric tonne of sugar for milling side.

2.0 FIRE INSURANCE

2.1 *Inter-crop Fire 2011*

For Crop 2011, the total number of accounts eligible for fire compensation caused by intercrop fire was 132 with a total extent of 137.6 hectares of land under cane reported as destroyed islandwide. The number of fire cases was more prominent in the North sector of the island, followed by the South. The highest extent reported damaged was noted in the South sector of the island. The compensation paid to insureds for loss consequent upon destruction of cane plantations by inter-crop fire amounted to Rs7.28 M.

2.2 *Fire during Harvest Season 2011*

The number of accidental/criminal fire occurrences during harvest season was more prominent in the North sector of the island. A total amount of Rs1.458 M has been disbursed for 85 planters as transport allowance for milling of burnt canes outside their respective factory areas.

3.0 ACTUARIAL STUDY

The actuarial report of BWCI Limited, the Consulting Actuary who was appointed on 11th October 2010 to review the position of the Fund and its insurance terms, was finalised on 24th October 2011. The actuarial recommendations thus adopted have been forwarded to the Ministry of Finance and Economic Development.

The recommendations embodied in the report will change the insurance terms offered by the Board to its insureds from an intricate type of insurance cover to a catastrophe type of cover coupled with a 50% reduction in premium across the board. Therefore, in future, attritional losses will no longer be compensable and declaration of an event year will depend on a threshold percentage of crop reduction for that crop year.

4.0 SERVICES PROVIDED BY THE SIFB

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

Financial Performance

The year under report showed a net deficit of MUR 57.93M (General and Fire) compared to a net surplus of MUR 155.32M for the year ended 31 December 2010. The deficit is mainly attributable to a more than 100% loss ratio (based on Net General Premium Income Receivable), lower investment income and exchange losses arising on translation of foreign currency deposits. The Fire Insurance Account on the other hand has shown a lower deficit.

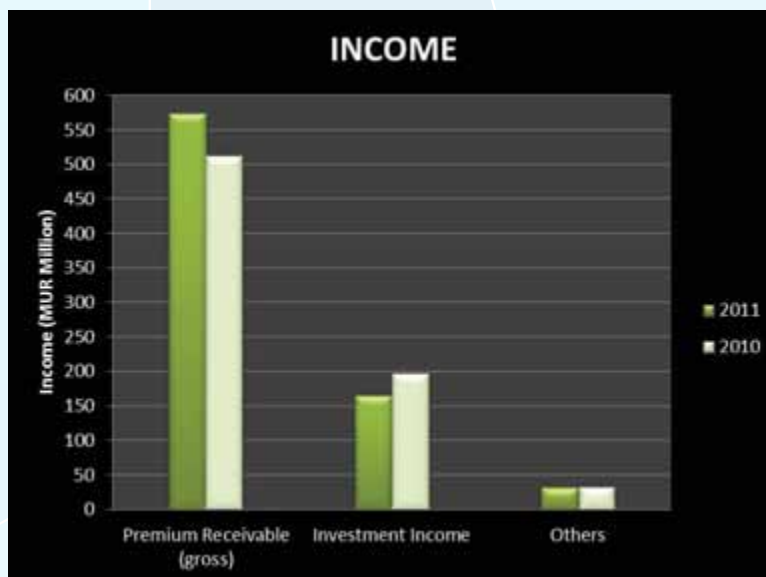
Table 1: Income and Expenditure summary

Item	General Fund MUR Million	Fire Fund MUR Million	Total MUR Million
Gross Insurance Premium	568.0	6.0	574.0
Discount on premium to Insureds	(397.6)	-	(397.6)
Re-insurance Cost	(14.5)	-	(14.5)
Insurance compensation payable	(191.2)	(8.7)	(199.9)
Deficit on Insurance Account	(35.3)	(2.7)	(38.0)
Other Income	173.5	0.2	173.7
Other Expenses	(193.4)	(0.2)	(193.6)
Net deficit	(55.2)	(2.7)	(57.9)

Income

Total income for the financial year amounted to MUR 765.2M, being mainly crop 2011 insurance premium receivable (gross) and investment income.

The composition of income is shown below:



Insurance Premium

Gross Insurance premium (General and Fire) for crop year 2011 receivable during the period amounted to MUR 574.0M compared to a figure of MUR 512.2M for the previous crop year. The increase is attributable mainly to a higher sugar price. The net general premium receivable after the 70% discount amounts to MUR 170.4M compared to MUR 151.8M for the previous year.

Table 2: Premium Income

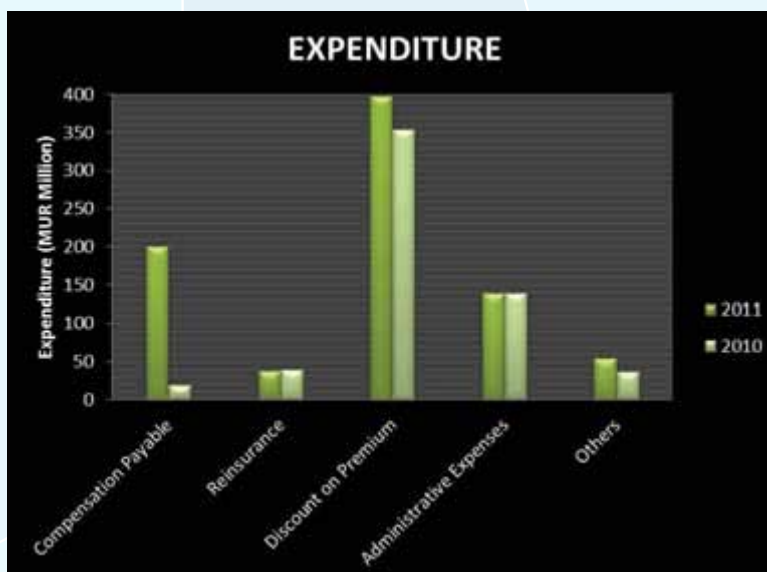
Premium (Gross)	Total MUR Million
General	568.0
Fire	6.0
Total	574.0

Investment Income

Investment income (Interest and dividend) was down by 16% over the one year period, falling from MUR 197.14M to MUR 165.14M for the year under report. The lower investment income is a direct consequence of lower yields on both the MUR denominated and foreign currency denominated deposits and lesser funds available as interest yielding investment. During this period, a translation loss of MUR 49.13M on foreign currency deposits was registered.

Expenditure

The overall expenditure of the Fund for the year was MUR 829.33M inclusive of an amount of MUR 397.6M being discount on general insurance premium for crop 2011 and MUR 199.92M as compensation (general & fire). In comparison, the total expenditure for the year 2010 was MUR 588.57M, during which, a discount of MUR 354.2M was granted to insureds on general insurance premium and MUR 19.16 M paid as compensation (fire only)



Insurance Premium ceded (Re-insurance costs)

Insurance premium ceded to re-insurers including the Board's co-reinsurance share of 55% amounted to MUR 38.20M (2010: MUR 39.07M).

Accumulated Fund

The Accumulated Fund, comprising of the General Fund and the Fire Fund, decreased from MUR 4,116.82M to MUR 4,058.90M during the year, representing a slight decrease of 1.4%.

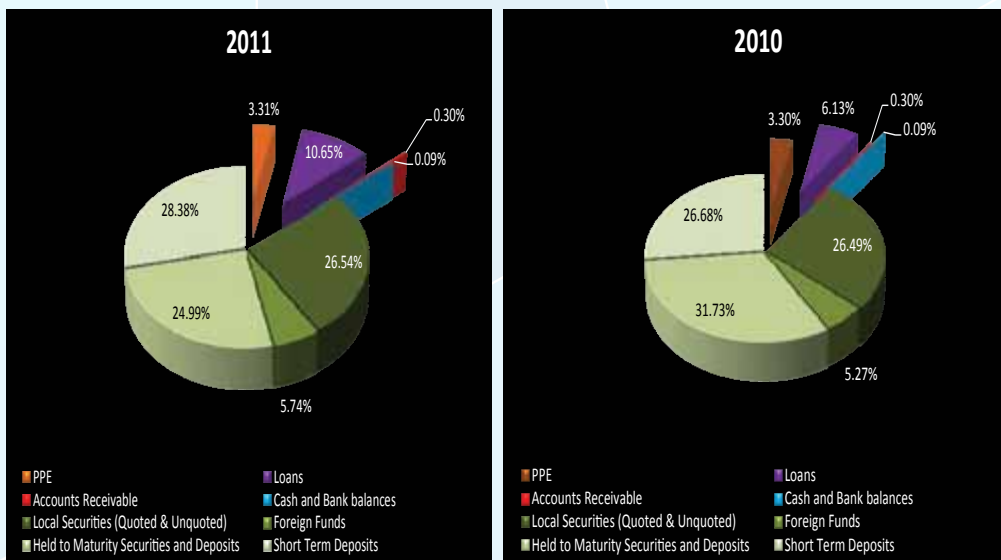
Table 3: Accumulated Fund

Fund	Total MUR Million
General	4,056.75
Fire	2.15
Total	4,058.90

Assets under management

Total assets under management amounted to MUR 5.63 billion as at 31 December 2011 (MUR 5.47 billion at 31 December 2010), posting a positive change of 2.9%. Given the short term liability of the Fund arising out of unpredictable adverse climatic conditions, a high proportion of funds have to be kept in liquid terms (based on Probable Maximum Loss). Nonetheless, due to the size of the Fund, some investments in longer terms have been possible. The financial asset of the Fund grew over time and is fair valued at MUR 4.83 billion as at 31 December 2011.

A breakdown of total assets under management is shown below:





APPENDIX A

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

Report on the Financial Statements

I have audited the accompanying financial statements of the Sugar Insurance Fund Board which comprise the statement of financial position as of 31 December 2011, the statement of financial performance and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Sugar Insurance Fund Board as of 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with the International Public Sector Accounting Standards.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion

Statutory Bodies (Accounts and Audit) Act

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

The Financial Reporting Act

The Board is responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). My responsibility is to report on these disclosures.

In my 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
31 August 2012





SUGAR INSURANCE FUND BOARD


Financial
Statements
2011

Statement of the financial position

at 31 December 2011

ASSETS	Notes	31 December 2011 MUR	31 December 2010 MUR
CURRENT ASSETS			
Accounts receivable	5	17,074,935	16,599,882
Investments in securities and deposits	6	1,305,249,546	1,720,404,492
Investment Property held for sale	7	4,425,000	-
Short term loans	8	585,002,202	309,590,942
Short term deposits	9	1,599,141,820	1,459,183,530
Bank and cash balances		5,266,368	5,162,043
		3,516,159,871	3,510,940,889
NON-CURRENT ASSETS			
Property, plant and equipment	10	124,007,412	121,365,639
Investment Properties	11	58,000,000	59,250,000
Long term loans	12	15,428,000	25,808,625
Investments in securities and deposits	6	1,921,664,803	1,751,840,082
		2,119,100,215	1,958,264,346
TOTAL ASSETS		5,635,260,086	5,469,205,235
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	13	217,424,494	31,090,000
NON-CURRENT LIABILITIES			
Provision for staff passage benefits	15	8,665,149	7,625,345
Long Term employees benefits	16	52,796,373	52,237,465
Retirement benefit obligations	17	111,396,851	107,850,472
		172,858,373	167,713,282
TOTAL LIABILITIES		390,282,867	198,803,282
NET ASSETS		5,244,977,219	5,270,401,953
NET ASSETS / EQUITY			
Accumulated funds		4,058,886,978	4,116,816,453
Revaluation reserves		1,186,090,241	1,153,585,500
TOTAL NET ASSETS / EQUITY		5,244,977,219	5,270,401,953

Approved by the Board of Directors and authorised for issue on 22nd March 2012 and subsequently amended on 30th August 2012.



 Chairperson



 Director

Statement of the financial performance

For the year ended 31 December 2011

ASSETS	Notes	31 December 2011 MUR	31 December 2010 MUR
GENERAL INSURANCE ACCOUNT			
REVENUE			
Insurance premium		568,000,000	506,027,395
Co-reinsurance premium	18	23,700,000	20,240,000
Investment Income	19	165,142,153	197,144,529
Profit on sale of Available-for-sale Securities		4,741,738	13,081,204
Other Revenue		3,615,970	378,666
TOTAL REVENUE		765,199,861	736,871,794
EXPENSES			
Insurance Compensation		191,200,000	-
Discount on Premium to Insureds	20	397,600,000	354,200,000
Insurance premium ceded to re-insurers		38,197,390	39,077,537
Administrative	21	138,611,288	139,010,333
Exchange and other losses	22	54,818,350	36,944,188
TOTAL EXPENSES		820,427,028	569,232,058
(Deficit)/Surplus to General Fund for the year		(55,227,167)	167,639,736
FIRE INSURANCE ACCOUNT			
REVENUE			
Insurance premium		6,000,000	6,167,000
Investment Income	19	195,000	855,000
TOTAL REVENUE		6,195,000	7,022,000
EXPENSES			
Insurance compensation		8,717,308	19,158,000
Management fee to General Fund		180,000	185,000
TOTAL EXPENSES		8,897,308	19,343,000
Deficit to Fire Fund for the year		(2,702,308)	(12,321,000)
Total (Deficit)/Surplus for the year		(57,929,475)	155,318,736

Statement of changes in net assets / equity

For the year ended 31 December 2011

Accumulated Funds	Revaluation Reserves					Total MUR
	General Fund MUR	Fire Fund MUR	Property MUR	Investments MUR		
At 31 December 2009	3,944,329,303	17,168,415	90,506,583	828,107,171	4,880,111,472	
Revaluation reserves realised on disposal	-	-	-	(12,819,841)	(12,819,841)	
Fair value gain on available-for-sale financial assets	-	-	-	247,466,587	247,466,587	
Revaluation reserves realised on disposal	-	-	325,000	-	325,000	
Net surplus(deficit) for the year	167,639,735	(12,321,000)	-	-	155,318,735	
At 31 December 2010	4,111,969,038	4,847,415	90,831,583	1,062,753,917	5,270,401,953	
Revaluation reserves realised on disposal	-	-	-	(2,014,288)	(2,014,288)	
Fair value gain on available-for-sale financial assets	-	-	-	31,344,030	31,344,030	
Gain on revaluation of property	-	-	3,175,000	-	3,175,000	
Net (deficit) for the year	(55,227,167)	2,702,308	-	-	(57,929,475)	
At 31 December 2011	4,056,741,871	2,145,107	94,006,583	1,092,083,659	5,244,977,219	

Cash flow statement

for the year ended 31 December 2011

	Year ended 31 December 2011 MUR	Year ended 31 December 2010 MUR
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Deficit)/Surplus for the year	(57,929,475)	155,318,735
Adjustments for:		
Provision for passage benefits	3,241,476	3,281,433
Payment of passage benefits	(2,401,672)	(2,829,933)
Depreciation of non-current assets	6,154,732	5,799,015
Investment income	(45,466,469)	(53,745,421)
(Profit)/Loss on sale of Plant & Equipment	(724,616)	6,990
Gain on disposal of Available-for-sale securities	(4,741,738)	(13,081,204)
Loss on disposal of foreign funds	5,686,348	-
Retirement benefits charged	3,546,379	2,716,220
Provision for Employees benefits	3,252,823	5,154,077
Employees benefits paid	(2,793,159)	(3,322,818)
OPERATING (DEFICIT)/SURPLUS BEFORE WORKING CAPITAL CHANGES	(92,175,371)	99,297,094
(Increase) in trade and other receivables	(534,146)	(2,064,694)
Increase/(Decrease) in trade and other payables	186,633,738	(182,590,335)
NET CASH GENERATED/(USED IN) BY OPERATING ACTIVITIES	93,924,221	(85,357,935)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment to acquire financial assets	(605,694,950)	(1,068,776,686)
Proceeds from sale of financial assets	924,876,776	1,304,290,706
Payment for plant and equipment	(8,971,891)	(6,055,026)
Proceeds from sale of plant and equipment	900,000	7,250
NET CASH GENERATED BY INVESTING ACTIVITIES	311,109,935	229,466,244
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loans granted	(585,745,615)	(309,494,397)
Proceeds from short term loans	310,334,356	597,371,929
Net proceeds from long term loans	10,439,719	8,329,486
NET CASH (USED IN)/GENERATED BY FINANCING ACTIVITIES	(264,971,541)	296,207,018
NET INCREASE IN CASH AND CASH EQUIVALENTS	140,062,616	440,315,327
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,464,345,573	1,024,030,246
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,604,408,188	1,464,345,573
Cash & cash equivalent is represented by:		
Bank and cash balances	5,266,368	5,162,043
Short term deposits	1,599,141,820	1,459,183,530
	1,604,408,188	1,464,345,573

Note:

During the period, the SIFB acquired plant and equipment with an aggregate cost of Rs 8,971,891. Payments of Rs 8,971,891 were made for purchase of plant & equipment.

Statement of comparison of budget and actual amounts

For the year ended 31 December 2011

		Original/ Final Budget MUR	Actual Amount MUR
GENERAL INSURANCE ACCOUNT			
REVENUE			
Insurance premium	23(i)	487,000,000	568,000,000
Interest Receivable	23(ii)	180,000,000	139,153,727
Dividend Income	23(iii)	35,000,000	26,183,426
Profit on sale of Available-for-sale Securities	23(iv)	15,000,000	4,741,738
Other Revenue	23(v)	1,000,000	3,435,970
TOTAL REVENUE		718,000,000	741,514,861
EXPENSES			
Insurance Compensation	23(vi)	278,000,000	191,200,000
Discount on Premium to Insureds	23(vii)	–	397,600,000
Insurance premium ceded to re-insurers	23(viii)	18,600,000	14,497,390
Administrative Expenses	23(ix)	135,644,000	138,611,288
Other Losses	23(x)	–	54,818,350
TOTAL EXPENSES		432,244,000	796,727,028
Surplus/(Deficit) to General Fund for the year		285,756,000	(55,212,167)
FIRE INSURANCE ACCOUNT			
REVENUE			
Insurance premium		6,200,000	6,000,000
TOTAL REVENUE		6,200,000	6,000,000
EXPENSES			
Insurance compensation	23(vi)	6,700,000	8,717,308
TOTAL EXPENSES		6,700,000	8,717,308
Deficit to Fire Fund for the year		(500,000)	(2,717,308)
Total Surplus/(Deficit) for the year		285,256,000	(57,929,475)

Note:

- (i) The Original and Final Budget are the same.
- (ii) The Budget is prepared on the accrual basis of accounting.

Notes to the financial statements

for the year ended 31 December 2011

1. GENERAL

Legal form and main objective

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

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

Standards in issue but not yet effective

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

- Improvements to IPSAS 1* – *Presentation of financial statements – effective for annual periods beginning on or after 1st January 2013*
- Amendment to IPSAS 23* – *Revenue from non-exchange transactions - effective for annual periods beginning on or after 1st January 2013*
- IPSAS 28* – *Financial Instruments (Presentation) - effective for annual periods beginning on or after 1st January 2013*
- IPSAS 29* – *Financial Instruments (Recognition and measurement) - effective for annual periods beginning on or after 1st January 2013*
- IPSAS 30* – *Financial Instruments (Disclosures) - effective for annual periods beginning on or after 1st January 2013*
- Improvement to IPSASs* – *Issued in November 2010 – effective for annual periods beginning on or after 1st January 2012*

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

3. ACCOUNTING POLICIES

The principal accounting policies of the Fund are:

3.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and modified by the revaluation of certain property, plant and equipment and investments and in accordance with International Public Sector Accounting Standards (IPSASs) for the accrual basis of accounting. The financial statements of the previous reporting period were prepared in compliance with International Financial Reporting Standards and are therefore not fully comparable.

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

Notes to the financial statements (Contd)

For the year ended 31 December 2011

3. ACCOUNTING POLICIES (Contd)

3.2 Revenue recognition

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

General Insurance Premium Income Account

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

Fire Insurance Premium Income Account

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

Other revenues

These are recognised on the following bases:

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

Interest income is recognised on an accrual basis.

The Fund recognises its share of co-reinsurance premium as revenue and its related expenditure.

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

A proportion of interest and dividend is apportioned to the Fire Fund.

3.3 Insurance contracts

(a) Recognition and measurement

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

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

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

Notes to the financial statements (Contd)

For the year ended 31 December 2011

3. ACCOUNTING POLICIES (Contd)

3.3 Insurance contracts (Contd)

(b) Liability adequacy test

At each end of reporting period, liability adequacy tests are performed to ensure the adequacy of the insurance liabilities. In performing these tests current best estimates of future contractual cash flows and claims are used. Any deficiency is immediately charged to the statement of financial performance.

(c) Insurance contracts held

Contracts entered into with re-insurers 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 re-insurers (classified as receivables).

Amounts recoverable from or due to re-insurers 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. A full year depreciation is charged in the year of acquisition, with no charge in year of disposal. The annual rates used for the purpose are as follows:

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

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

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

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

Notes to the financial statements (Contd)

For the year ended 31 December 2011

3. ACCOUNTING POLICIES (Contd)

3.4 Property, plant and equipment (Contd)

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

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

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

3.5 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 investment property are included in the statement of financial performance in the period in which they arise. The property being bare land, do not generate any rental income.

3.6 Non-current assets held for sale

There is actually no IPSAS regulating Non-current assets held for sale. Consequently, IFRS 5 has been applied as an alternative accounting standard. Accordingly, 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.

Notes to the financial statements (Contd)

For the year ended 31 December 2011

3. ACCOUNTING POLICIES (Contd)

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

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

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 end of reporting period and adjusted to reflect the current best estimate.

3.11 Retirement benefit obligations

Defined Benefit Plan

Provision for retirement benefits for the SIFB staff are made under the Statutory Bodies Pension Act 1978 as amended and in accordance with IPSAS 25 (Employee Benefits). The Fund provides retirement benefits for its employees through a defined benefit plan called "The Sugar Insurance Fund Board (SIFB) Staff Pension Fund".

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

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

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

Notes to the financial statements (Contd)

For the year ended 31 December 2011

3. ACCOUNTING POLICIES (Contd)

3.11 Retirement benefit obligations (Contd)

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

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

State Plan

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

3.12 Financial instruments

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

(a) Financial Assets

Classification

Financial assets are classified into the following specified categories: financial assets 'at fair value through 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.

Notes to the financial statements (Contd)

For the year ended 31 December 2011

3. ACCOUNTING POLICIES (Contd)

3.12 Financial instruments (Contd)

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 end of reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in 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 end of reporting period.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Notes to the financial statements (Contd)

For the year ended 31 December 2011

3. ACCOUNTING POLICIES (Contd)

3.12 Financial instruments (Contd)

Impairment of financial assets (Contd)

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.

Notes to the financial statements (Contd)

For the year ended 31 December 2011

3. ACCOUNTING POLICIES (Contd)

3.12 Financial instruments (Contd)

Derecognition of financial assets (Contd)

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

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the financial statements (Contd)

For the year ended 31 December 2011

5. ACCOUNTS RECEIVABLE/ PREPAYMENTS

		31 December 2011 MUR	31 December 2010 MUR
Loan - Mauritius Housing Company Ltd	(Note 12(i))	8,000,000	8,000,000
Other loans	(Note 12(iv))	1,170,993	1,245,075
Motor vehicles loans	(Note 12(ii))	1,644,447	1,673,663
Personal loans	(Note 12(iii))	222,751	178,546
Interest receivable		4,247,472	2,345,593
Debtors insurance premium receivable		28,479	43,239
Dividends receivable		44,301	515,708
Other receivables/Prepayments		1,716,492	2,598,058
		17,074,935	16,599,882

Notes to the financial statements (Contd)

For the year ended 31 December 2011

6. INVESTMENTS IN SECURITIES AND DEPOSITS

	Local Quoted MUR	Local Unquoted MUR	Foreign Equities/Funds MUR	Held-To-Maturity Securities and Deposits MUR	Total MUR
AT FAIR VALUE					
At 1 January 2011:	838,931,158	609,912,083	288,093,990	1,735,307,344	3,472,244,574
Additions	1,472,707	-	89,328,143	514,894,100	605,694,950
Disposals/Matured/Redeemed	(8,374,850)	-	(32,073,279)	(887,387,545)	(927,835,674)
Interest capitalised/ receivable	-	-	-	45,466,469	45,466,469
Dividend in species	-	-	-	-	-
Increase/(Decrease) in fair value	(15,376,136)	68,856,544	(22,136,379)	-	31,344,030
At 31 December 2011	816,652,879	678,768,627	323,212,476	1,408,280,368	3,226,914,349
Classified as:					
- Short term	-	-	-	1,305,249,546	1,305,249,546
- Long term	816,652,879	678,768,627	323,212,476	103,030,822	1,921,664,803
	816,652,879	678,768,627	323,212,476	1,408,280,368	3,226,914,349
AT COST					
At 31 December 2011	427,343,468	16,151,155	276,495,796	1,408,280,368	2,128,270,787
At 31 December 2010	429,888,410	16,151,155	221,583,845	1,735,307,344	2,402,930,754

Notes to the financial statements (Contd)

For the year ended 31 December 2011

6. INVESTMENTS IN SECURITIES AND DEPOSITS (Contd)

(a) Available-For-Sale Securities and Deposits

Local Quoted

Local quoted investments include investments in companies listed on the Official Market and the Development and Enterprise Market of the Stock Exchange of Mauritius (SEM). Such investments are stated at fair values based on SEM prices at close of business on the end of reporting period.

Local Unquoted

Local unquoted investments comprise mainly of shares held in SICOM, Sugar Investment Trust (SIT) and The MFL Fund. Investments in SICOM and SIT have been fair valued at MUR676.44 Million at 31 December 2011, based on the last available equity value (30 June 2011) of the company/trust. Investments in The MFL Fund, which is an open-ended Fund, are stated at market value at MUR 1.23 Million at 31 December 2011.

Foreign Equities /Funds

Investments in foreign equities/ funds, 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, GAM, Shrodder investments in fixed income securities, mutual funds (SICAV), L & C Property Fund, UBS LUX, MAN AHL are stated at market value based on the exchange rate ruling at the end of reporting period.

(b) Held-To-Maturity Securities and Deposits

Held-To-Maturity Securities and Deposits, which are stated at amortised cost, bear interests at rates ranging from 3.20% to 7.03 % per annum to mature between January 2012 and July 2013 and comprise of:

	31 December 2011 MUR	31 December 2010 MUR
Treasury Bills	88,886,756	49,119,675
Treasury Notes	-	240,405,830
Deposits	1,319,393,612	1,445,781,839
	<u>1,408,280,368</u>	<u>1,735,307,344</u>

Notes to the financial statements (Contd)

For the year ended 31 December 2011

7. ASSETS CLASSIFIED AS HELD FOR SALE (INVESTMENT PROPERTY)

	31 December 2011 MUR	31 December 2010 MUR
At start of year	-	3,925,000
Transfer to Investment Property	-	(3,925,000)
Transfer from Investment Property (Note 11)	4,425,000	-
At end of year	4,425,000	-

The investment property relates to bare land of 2,490.3 square metres at Bramsthan which the Fund intends to dispose-of within the next financial year.

8. SHORT TERM LOANS

	31 December 2011 MUR	31 December 2010 MUR
Loans to Mauritius Sugar Syndicate - (MSS)	585,002,202	309,590,942
	585,002,202	309,590,942

Loans to MSS relate to:

- (a) Rs176.82 Million (Crop 2011 premium receivable) advanced to MSS for a period of 2 months at an interest rate of 4.5% p.a.
- (b) Rs405 Million advanced to MSS for a period of 2 months at an interest rate of 4.45-4.50% p.a.

9. SHORT TERM DEPOSITS

	31 December 2011 MUR	31 December 2010 MUR
Foreign Currency deposits with banks:		
USD	658,628,894	591,153,774
EURO	851,387,314	779,709,326
GBP	25,942,154	25,920,122
Deposits on call at banks	63,183,458	62,400,308
	1,599,141,820	1,459,183,530

Notes to the financial statements (Contd)

For the year ended 31 December 2011

10. PROPERTY, PLANT AND EQUIPMENT

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

As at 31 December 2010

	Cost	Accumulated depreciation	Net book value
	MUR	MUR	MUR
Freehold land	4,022,745	-	4,022,745
Buildings	39,802,301	(19,581,685)	20,220,616
Motor vehicles	4,253,500	(2,474,700)	1,778,800
	<u>48,078,546</u>	<u>(22,056,385)</u>	<u>26,022,161</u>

As at 31 December 2011

	Cost	Accumulated depreciation	Net book value
	MUR	MUR	MUR
Freehold land	4,022,745	-	4,022,745
Buildings	39,802,301	(18,586,627)	21,215,674
Motor vehicles	3,617,359	(2,908,624)	708,735
	<u>47,442,405</u>	<u>(21,495,251)</u>	<u>25,947,154</u>

Notes to the financial statements (Contd)

For the year ended 31 December 2011

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

	Freehold/ Leasehold Land MUR	Buildings MUR	Improvement to Land and Buildings MUR	Furniture & Other Equipment MUR	Motor Vehicles MUR	Computer Equipment & Software MUR	Total MUR
COST AND VALUATION							
At 31 December 2009	52,275,000	66,325,000	3,093,370	12,514,336	3,037,359	7,932,571	145,177,636
Additions	-	-	2,091,941	753,575	-	3,209,510	6,055,026
Disposals	-	-	-	(17,800)	-	-	(17,800)
At 31 December 2010	52,275,000	66,325,000	5,185,311	13,250,111	3,037,359	11,142,081	151,214,862
Additions	-	-	990,011	533,952	1,823,500	5,624,428	8,971,891
Disposals	-	-	-	(57,001)	(1,187,359)	-	(1,244,360)
At 31 December 2011	52,275,000	66,325,000	6,175,322	13,727,062	3,673,500	16,766,508	158,942,392
DEPRECIATION							
At 31 December 2009	-	4,507,187	1,010,362	10,198,950	1,646,151	6,691,117	24,053,767
Charge for the year	-	2,572,708	518,531	824,876	607,472	1,275,428	5,799,015
Disposals	-	-	-	(3,560)	-	-	(3,560)
At 31 December 2010	-	7,079,896	1,528,893	11,020,265	2,253,623	7,966,544	29,849,222
Charge for the year	-	2,572,706	617,536	246,623	709,700	2,008,167	6,154,732
Disposals	-	-	-	(352)	(1,068,623)	-	(1,068,975)
At 31 December 2011	-	9,652,602	2,146,428	11,266,537	1,894,701	9,974,712	34,934,980
NET BOOK VALUE							
At 31 December 2011	52,275,000	56,672,398	4,028,894	2,460,525	1,778,799	6,791,796	124,007,412
At 31 December 2010	52,275,000	59,245,104	3,656,418	2,229,846	783,736	3,175,537	121,365,640

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.

Notes to the financial statements (Contd)

For the year ended 31 December 2011

11. INVESTMENT PROPERTY

	31 December 2011 MUR	31 December 2010 MUR
At start of year	59,250,000	55,000,000
Transfer from Assets held for sale	–	3,925,000
Surplus on revaluation	3,175,000	325,000
Transfer to Assets held for sale (Note 7)	(4,425,000)	–
At end of year	<u>58,000,000</u>	<u>59,250,000</u>

Investment property relates to bare land at Mere Barthelemy street Port Louis, which was last revalued in December 2011 by Alan Tinkler, Ramlackhan & Co. (Principal - Rhoy Ramlackhan, B.Sc (Hons)., M.R.I.C.S, M.M.I.S. Chartered Valuation Surveyor).

12. LONG TERM LOANS

		31 December 2011 MUR	31 December 2010 MUR
Loan to Mauritius Housing Company Ltd	(i)	8,000,000	16,000,000
Motor Vehicles Loans	(ii)	3,874,133	4,520,226
Personal Loans	(iii)	30,591	82,580
Other Loans	(iv)	3,523,276	5,205,819
		<u>15,428,000</u>	<u>25,808,625</u>

(i) Loan to Mauritius Housing Company Ltd

Total amount due	16,000,000	24,000,000
Deduct: Amount falling due within one year (Note 5)	(8,000,000)	(8,000,000)
Amount falling due after more than one year	<u>8,000,000</u>	<u>16,000,000</u>

The loan is guaranteed by the Government of Mauritius. The original amount loaned is refundable 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 however, to a minimum of 8.5% per annum (9.90% p.a as at 31 December 2011).

(ii) Motor Vehicles Loans (staff)

Total amount	5,518,580	6,193,859
Deduct: Amount falling due within one year (Note 5)	(1,644,447)	(1,673,663)
Amount falling due after more than one year	<u>3,874,133</u>	<u>4,520,226</u>

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

Notes to the financial statements (Contd)

For the year ended 31 December 2011

12. LONG TERM LOANS (Contd)

(iii) Personal Loans (staff)

	31 December 2011 MUR	31 December 2010 MUR
Total amount due	253,342	261,126
Deduct: Amount falling due within one year (Note 5)	(222,751)	(178,546)
Amount falling due after more than one year	<u>30,591</u>	<u>82,580</u>

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

(iv) Other Loans (staff)

Total amount due	4,694,269	6,450,894
Deduct: Amount falling due within one year (Note 5)	(1,170,993)	(1,245,075)
	<u>3,523,276</u>	<u>5,205,819</u>

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

13. ACCOUNTS PAYABLE

	31 December 2011 MUR	31 December 2010 MUR
Provision for insurance compensation (see note 14)	199,929,582	15,314,868
Reinsurance premiums payable	4,167,268	2,467,268
Creditors for compensation and premium	77,446	76,637
Amounts owed to SIT planters	2,500	2,500
Other Creditors	99,846	99,846
Accruals	2,809,716	2,491,501
Provision for passage benefits (note 15)	2,400,000	2,600,000
Short term employee benefits (note 16)	7,938,136	8,037,380
	<u>217,424,494</u>	<u>31,090,000</u>

14. PROVISION FOR INSURANCE COMPENSATION

At 1 January	15,314,868	193,250,000
Less : Payment during the year	(12,860,286)	(190,811,047)
Add : Provision for the year	197,475,000	12,875,915
At 31 December	<u>199,929,582</u>	<u>15,314,868</u>

Notes to the financial statements (Contd)

For the year ended 31 December 2011

15. PROVISION FOR STAFF PASSAGE BENEFITS

	31 December 2011 MUR	31 December 2010 MUR
At 1 January	10,225,345	9,773,846
Payment during the year	(2,401,672)	(2,829,933)
Provision for the year	3,241,476	3,281,433
	11,065,149	10,225,345
<u>Less: Amount due within one year (Note 13)</u>	(2,400,000)	(2,600,000)
At 31 December	8,665,149	7,625,345

16. LONG TERM EMPLOYEES BENEFITS

	31 December 2011 MUR	31 December 2010 MUR
At 1 January	60,274,845	58,443,587
Charge for the year	3,252,823	5,154,077
	63,527,668	63,597,664
<u>Less: Payment during the year</u>	(2,793,159)	(3,322,818)
	60,734,509	60,274,845
Short term employee benefits (Note 13)	(7,938,136)	(8,037,380)
At 31 December	52,796,373	52,237,465

17. RETIREMENT BENEFIT OBLIGATIONS

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

The following employee benefits information is based on the report submitted by the State Insurance Company of Mauritius Ltd (SICOM).

Any actuarial gain/loss is recognised within the Statement of financial performance using the Corridor Approach.

(i) Amounts recognised in statement of financial position:

	31 December 2011 MUR	31 December 2010 MUR
Present value of funded obligation	465,994,150	454,942,323
Fair value of plan assets	(355,355,118)	(352,496,541)
	110,639,032	102,445,782
Unrecognised actuarial (loss)/gain	757,819	5,404,690
Liability in statement of financial position	111,396,851	107,850,472

Notes to the financial statements (Contd)

For the year ended 31 December 2011

17. RETIREMENT BENEFIT OBLIGATIONS (Contd)

(ii) Amounts recognised in statement of financial performance:

	31 December 2011 MUR	31 December 2010 MUR
Current service cost	9,387,011	9,402,368
Employee Contribution	(4,318,570)	(4,768,660)
Fund Expenses	377,397	393,367
Interest cost	47,768,944	46,534,919
Expected return on plan assets	(36,692,826)	(33,880,775)
Total included in staff costs	<u>16,521,956</u>	<u>17,681,219</u>
Actual return on plan assets	<u>8,940,679</u>	<u>30,240,726</u>

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

	31 December 2011 %	31 December 2010 %
Discount Rate	10.50	10.50
Expected Rate of Return on plan assets	10.50	10.50
Future salary increases	7.50	7.50
Future Pension increases	5.50	5.50

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

	31 December 2011 MUR	31 December 2010 MUR
At 1 January	107,850,472	105,134,252
Total staff cost as above	16,521,956	17,681,219
Contributions paid by employer	(12,975,577)	(14,958,254)
Actuarial reserves transferred in	-	(6,745)
At 31 December	<u>111,396,851</u>	<u>107,850,472</u>

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

Present value of obligation at start of period	454,942,323	443,189,705
Current service cost	9,387,011	9,402,368
Interest cost	47,768,944	46,534,919
Benefits paid	(22,998,852)	(20,176,758)
Liability (gain)/ loss	(23,105,276)	(24,007,911)
Present value of obligation at end of period	<u>465,994,150</u>	<u>454,942,323</u>

Notes to the financial statements (Contd)

For the year ended 31 December 2011

17. RETIREMENT BENEFIT OBLIGATIONS (Contd)

(vi) Reconciliation of fair value of plan assets:

	31 December 2011 MUR	31 December 2010 MUR
Fair value of plan assets at start of period	352,496,541	323,092,281
Expected return on plan assets	36,692,826	33,880,775
Employer contributions	12,975,577	14,958,254
Employee contributions	4,318,570	4,768,660
Actuarial Reserves transferred in	–	6,745
Benefits paid + other outgo	(23,376,249)	(20,570,125)
Asset gain/(loss)	(27,752,147)	(3,640,049)
Fair value of plan assets at end of period	<u>355,355,118</u>	<u>352,496,541</u>

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

	% of fair value of total plan assets	
Percentage of assets at end of year	31 December 2011 MUR	31 December 2010 MUR
Government securities and cash	50.6	52.2
Loans	7.8	7.8
Local equities	23.2	25.2
Overseas equities and bonds	17.5	14.0
Property	0.9	0.8
Total	<u>100.0</u>	<u>100.0</u>

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

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

(viii) History of obligations, assets and experience adjustments

Percentage of assets at end of year	31 December 2011 MUR	31 December 2010 MUR
Fair value of plan assets	355,355,118	352,496,541
Present value of defined benefit obligation	(465,994,150)	(454,942,323)
Surplus /(deficit)	(110,639,032)	(102,445,782)
Asset experience gain/ (loss) during the period	(27,752,147)	(3,640,049)
Liability experience gain/(loss) during the period	23,105,276	24,007,911

(ix) Expected Employer's contributions (estimate to be reviewed by the Sugar Insurance Fund Board) for the year ending 31 Dec 2012: **Rs. 12,155,356.**

Notes to the financial statements (Contd)

For the year ended 31 December 2011

17. RETIREMENT BENEFIT OBLIGATIONS (Contd)

(x) Five year summary

Amounts recognised in statement of financial position:

	31 December 2011 MUR	31 December 2011 MUR	31 December 2011 MUR	31 December 2011 MUR	31 December 2011 MUR
Present value of funded obligation	465,994,150	454,942,323	443,189,705	454,207,656	366,872,654
Fair value of plan assets	(355,355,118)	(352,496,541)	(323,092,281)	(277,172,443)	(299,924,296)
	110,639,032	102,445,782	120,097,424	177,035,213	66,948,358
Unrecognised actuarial (loss)/gain	757,819	5,404,690	(14,963,172)	(85,359,444)	25,822,872
Liability in statement of financial position	111,396,851	107,850,472	105,134,252	91,675,769	92,771,230

Reconciliation of the present value of defined benefit obligation:

	Year ended 31 December 2011 MUR	Year ended 31 December 2011 MUR	Year ended 31 December 2011 MUR	Year ended 31 December 2011 MUR	Year ended 31 December 2011 MUR
Present value of obligation at start of period	454,942,323	443,189,705	454,207,656	366,872,654	323,900,000
Current service cost	9,387,011	9,402,368	9,194,125	9,643,494	12,160,988
Interest cost	47,768,944	46,534,919	47,691,804	38,521,629	54,887,306
Benefits paid	(22,998,852)	(20,176,758)	(18,031,898)	(16,597,004)	(20,318,597)
Liability (gain)/ loss	(23,105,276)	(24,007,911)	(49,871,982)	(55,766,883)	(3,757,043)
Present value of obligation at end of period	465,994,150	454,942,323	443,189,705	454,207,656	366,872,654

Reconciliation of fair value of plan assets:

	Year ended 31 December 2011 MUR	Year ended 31 December 2011 MUR	Year ended 31 December 2011 MUR	Year ended 31 December 2011 MUR	Year ended 31 December 2011 MUR
Fair value of plan assets at start of period	352,496,541	323,092,281	277,172,443	299,924,296	238,870,000
Expected return on plan assets	36,692,826	33,880,775	30,362,242	32,974,568	42,092,650
Employer contributions	12,975,577	14,958,254	16,048,758	16,618,384	17,644,230
Employee contributions	4,318,570	4,768,660	–	–	–
Actuarial Reserves transferred in	–	6,745	–	–	–
Benefits paid + other outgo	(23,376,249)	(20,570,125)	(18,352,873)	(16,929,372)	(20,748,411)
Asset gain/(loss)	(27,752,147)	(3,640,049)	17,861,711	(55,415,433)	22,065,827
Fair value of plan assets at end of period	355,355,118	352,496,541	323,092,281	277,172,443	299,924,296

Notes to the financial statements (Contd)

For the year ended 31 December 2011

18. REINSURANCE PREMIUM

Reinsurance premium for Crop 2011 was paid under contract signed for an aggregate cover of 100% of the general premium income in excess of 150% of the general premium income. The Fund is a co-reinsurer to an extent of 55% of the cover.

19. INVESTMENT INCOME

	Year ended 31 December 2011 MUR	Year ended 31 December 2010 MUR
Interest Income (i)	139,153,727	170,175,939
Dividends	26,183,426	27,823,590
	<u>165,337,153</u>	<u>197,999,529</u>
(i) Interest Income		
Held to maturities deposits	102,290,149	131,154,081
Cash and cash equivalent	28,891,502	23,416,241
Loans & receivables	7,972,076	15,605,617
	<u>139,153,727</u>	<u>170,175,939</u>

20. DISCOUNT ON PREMIUM

The Board for Crop 2011 granted a discount of 70% on the general premium percentage payable by Insureds.

21. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2011 MUR	Year ended 31 December 2010 MUR
Included in administrative expenses are:		
Staff costs	113,570,907	115,255,781
Provision for Employees Benefits	4,305,922	5,154,077
Depreciation	6,154,732	5,799,015
Directors' fees	602,100	667,800
Auditors' remuneration	275,000	200,000
	<u>124,908,661</u>	<u>137,076,673</u>

22. EXCHANGE AND OTHER LOSSES

Exchange loss on revaluation of foreign currency deposit	(49,132,002)	(36,937,198)
Loss on disposal of available-for-sale financial assets	(5,686,348)	-
Loss on disposal of Plant & Equipment	-	(6,990)
	<u>(54,818,350)</u>	<u>(36,944,188)</u>

Notes to the financial statements (Contd)

For the year ended 31 December 2011

23. BUDGET COMPARED TO ACTUAL (Contd)

(i) Insurance Premium

Actual insurance premium for Crop 2011 was higher than budgeted mainly due to a higher sugar price as a result principally of the sale on the export and local markets of a substantially higher production of refined sugar, part of which was from imported raw sugar.

(ii) Interest Receivable

The actual interest receivable was lower than budgeted due to:

- (a) the 70% discount on general insurance premium receivable for Crop 2010 which reduced the funds available for investment purposes;
- (b) lower interest rates available on deposits; and
- (c) diversification of investments in funds/equities for which the yield are shown in other income.

(iii) Dividend Income

The lower actual dividend income compared to the budgeted dividend income is also an outcome of (ii) (a)&(c) above.

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

The budgeted amount was based on actual figure for financial year 2010 and conditions then prevailing, whilst its execution depends on actual market conditions.

(v) Other Revenue

Whilst the budgeted amount includes only re-current sundry income receivable in the ordinary course of business, the actual amount also includes the Board's share of contribution made to the "catastrophic medical scheme", refunded upon its dissolution, and recoveries from liquidators of New Cap-Re in respect of re-insurance crop 1999.

(vi) Insurance Compensation

At time of budgeting (around September 2010), variables determining any compensable loss could only be ascertained based on estimates and assumptions.

(vii) Discount on Premium

In consultation with the Consulting Actuaries, the Board agreed in December 2011 to another exceptional discount of 70% on general insurance premium percentage claimable after taking into account:

- (a) the financial strength of its general reserves;
- (b) the actuarial review yet to be finalised;
- (c) the interest of the sugar sector.

Notes to the financial statements (Contd)

For the year ended 31 December 2011

23. BUDGET COMPARED TO ACTUAL (Contd)

(viii) Insurance premium ceded to re-insurers

The Budgeted Insurance Premium ceded to reinsurers is based on the assumption that the Board would subscribe to a policy with similar expiring terms and level of participation standing at 50% on the reinsurance programme of 2010. In view of its financial strength, the Board decided to increase its participation to 55% for the 2011 programme, as well as negotiated a better premium rate, thus the lower re-insurance premium cost.

23. BUDGET COMPARED TO ACTUAL

(i) Administrative Expenses

Included in Administrative Expenses is retirement benefit obligation charged (MUR 3.5M) and determined by SICOM Ltd, the Pension Fund Manager after an actuarial evaluation of the Staff Pension Fund at year end.

(ii) Other Losses

Other losses include mainly exchange losses on translation of foreign currency deposits which could not be budgeted.

24 TAXATION

The Fund is exempt from income tax.

25. RELATED PARTY TRANSACTIONS

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

	31 December 2011 MUR	31 December 2010 MUR
(a) <i>Outstanding balances</i>		
<i>Loans advanced to:</i>		
(i) Key management personnel	176,000	240,000
(ii) Entity under common control	16,000,000	24,000,000
	16,176,000	24,240,000

(i) Loans advanced to key management personnel under condition of service.

(ii) Loans advanced to entity under common control represent loans granted to Mauritius Housing Corporation Ltd.

Notes to the financial statements (Contd)

For the year ended 31 December 2011

25. RELATED PARTY TRANSACTIONS (Contd)

(b) Transactions with entity under common directorship

	31 December 2011 MUR	31 December 2010 MUR
- Deposits	436,001,738	321,786,290
- Available-for-sale Financial Assets	57,586,801	-

Transactions with entity under common directorship represent:

- (i) deposits with Afrasia Bank and Axys Leasing Co. Ltd - Director Mr J.C.Béga
- (ii) Investment with Standard Bank (Mtius Ltd) in "Asian Foreign Currency Basket" - Director Mr G.Leung Shing

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

	31 December 2011 MUR	31 December 2010 MUR
(c) Compensation of key management personnel:		
- Short term benefits	3,226,380	3,587,294
- Post-employment benefits contribution	597,494	697,858
- Other benefits	620,493	706,904
	<u>4,444,367</u>	<u>4,992,056</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.

26. FINANCIAL INSTRUMENTS

26.1 Significant accounting policies

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

Notes to the financial statements (Contd)

For the year ended 31 December 2011

26. FINANCIAL INSTRUMENTS (Contd)

26.2 Categories of financial instruments

Financial assets

	31 December 2011 MUR	31 December 2010 MUR
- Held to maturity investments	1,408,280,368	1,735,307,344
- Loans and Receivables (including cash & Cash Equivalents and excluding prepayments)	2,220,198,833	1,813,746,964
- Available for sale financial assets	1,818,633,981	1,736,937,230
	5,447,113,182	5,285,991,538

Financial liabilities

Liabilities	390,282,867	198,803,282
-------------	--------------------	--------------------

26.3 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.

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

Currency profile

Currency	Financial Assets 2011 MUR	Financial liabilities 2011 MUR	Financial Assets 2010 MUR	Financial liabilities 2010 MUR
Mauritian Rupees	3,585,822,313	390,282,867	3,603,207,603	198,803,282
United States Dollars	912,494,803	-	788,415,710	-
Euro	922,835,434	-	868,448,103	-
British Pounds	25,960,632	-	25,920,122	-
	5,447,113,182	390,282,867	5,285,991,538	198,803,282

Notes to the financial statements (Contd)

For the year ended 31 December 2011

26. FINANCIAL INSTRUMENTS (Contd)

26.3 Financial risk management (Contd)

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 2011 MUR	31 December 2010 MUR
Profit or loss in statement of financial position	6,606,646	5,911,538
Revaluation Reserve in statement of financial position	2,518,302	1,972,619

(b) EURO Impact

Profit or loss in statement of financial position	8,535,391	7,797,093
Revaluation Reserve in statement of financial position	692,963	887,388

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

- **Interest rate risk management**

The Fund is not exposed to 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 2011 was:-

Financial assets	Currency	Fixed Interest rate		Floating Interest rate	
		2011	2010	2011	2010
		%	%	%	%
Bank Deposits	MUR	3.50 - 4.25	3.50 - 4.50	-	-
Loan to MHC	MUR	-	-	9.25 -10.00	9.25 -10.25
Loan to MSS	MUR	3.00 - 5.00	3.00 - 5.00	-	-
Fixed deposits	MUR	6.00 - 7.03	5.25 - 8.10	4.10 - 6.50	6.00 - 6.80
Fixed deposits	GBP	1.04 - 1.39	1.10 - 1.24	-	-
Fixed deposits	USD	1.05 - 3.00	1.10 - 1.30	-	-
Fixed deposits	EUR	1.36 - 3.00	1.96 - 2.50	-	-
Yields on T.Bills	MUR	3.20 - 5.00	3.51 - 4.78	-	-

Notes to the financial statements (Contd)

For the year ended 31 December 2011

26. FINANCIAL INSTRUMENTS (Contd)

26.3 Financial risk management (Contd)

- **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.

	31 December 2011 MUR	31 December 2010 MUR
Available-for-sale securities	18,186,340	17,369,372

(ii) Credit risk management

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

(iii) Liquidity risk management

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

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.

Notes to the financial statements (Contd)

For the year ended 31 December 2011

26. FINANCIAL INSTRUMENTS (Contd)

26.3 Financial risk management (Contd)

	Within 1 month MU	1 to 3 months MUR	3 months to 1 year MUR	More than 1 year MUR	No fixed maturity MUR
Held to maturity (incl. interest)	169,984,548	441,280,464	693,984,534	103,030,822	–
Available-for-sale	–	–	–	3,182,858	1,815,451,123
Loans & Receivables (excluding prepayments)	4,274,516	585,028,048	10,206,025	15,734,321	45,735
Cash & cash equivalents	655,572,766	948,835,422	–	–	–
	829,831,830	1,975,143,934	704,190,559	121,948,001	1,815,496,858

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.

	Within 1 month MU	1 to 3 months MUR	3 months to 1 year MUR	More than 1 year MUR
Liabilities	2,809,716	199,929,582	4,247,214	–

27 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.

Notes to the financial statements (Contd)

For the year ended 31 December 2011

27 MANAGEMENT OF INSURANCE RISKS (Contd)

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.

28. SENSITIVITY ANALYSIS

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

The assumptions used are as follows:

(i) Climatic conditions

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

(ii) Estimated islandwide tonnage of canes of 4.230 millions

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

(iii) Estimated islandwide extraction rate of 10.39%

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

Notes to the financial statements (Contd)

For the year ended 31 December 2011

28. SENSITIVITY ANALYSIS (Contd)

- (iv) Estimated islandwide sugar production of 439,500 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 55,700 Hectares

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

- (vi) Estimated islandwide Total Insurable Sugar 481,200 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 10.5

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

The main variable which has the most material effect on insurance liabilities is 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 amount of MUR 46 million.

Notes to the financial statements (Contd)

For the year ended 31 December 2011

29. CLAIMS HISTORY AND DEVELOPMENT

The claims history and development is summarised below:

General and Fire insurance

Crop Year	General and Fire Compensation	General and Fire Premium (gross)	Loss Ratio
2011	199,744,600	574,000,000 *	34.8%
2010	19,158,000 (Fire only)	512,194,395 **	3.7%
2009	195,755,311	651,131,000 ***	30.1%
2008	413,151,817	718,619,771	57.5%
2007	857,278,983	838,498,228	102.2%
2006	583,572,641	849,437,679	68.7%
2005	575,718,022	896,012,073	64.3%

* Before deduction of a discount of Rs 397.6 Million given to Insureds.

** Before deduction of a discount of Rs 354.2 Million given to Insureds.

*** Before deduction of a discount of Rs 64.46 Million given to Insureds.

No reinsurance proceeds were receivable for crop years 2005 to 2011.

30. 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

Table I: Statement of Funds

Table II: Reinsurance

Table III: Fire Statistics, Crop 2011

Table IV: Sugar Price

Table V: Events (1957-2011)

Table VI: Events by Factory Area, 2002-2011

Table VII: Credit Co-operative Societies, Crop 2011

Table VIII: Millers, Crop 2011

Table IX: Analysis by Ranking, Crop 2011

Table X: Area Harvested & Cane Weight, Crop 2011

Table XI: Number of Planters, Sugar Produced & Insurable Sugar, Crop 2011

Table XII: Premium, Compensation & Shortfall, Crop 2011

Table XIII: Past Years Data (2002-2011)

Staff matters

Financial and Statistical Tables

Table I: Statement of Funds

Financial Year	Income				Expenditure				Operating Surplus/ (Deficit)	Cumulative Fund Reserves
	Gross Premium	Other contributions	Investments & Other Income	Total Income	Net compensation	Net Reinsurance Premium	Operating & Other Expenses	Total Expenditure		
up to 2001/2002	10,180,657,673	2,109,608,146	2,036,164,472	14,326,430,291	9,577,252,544	1,797,658,413	1,017,909,869	12,392,820,826	1,933,609,465	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)	
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	128,419,854	795,136,249	298,695,064	
2007	838,543,820	-	407,357,609	1,245,901,429	864,726,127	83,191,051	169,436,205	1,117,353,383	128,548,046	
2008	717,886,029	-	369,475,477	1,087,361,506	411,675,744	61,745,852	128,694,493	602,116,089	485,245,417	
2009	651,131,000	6,119,201	252,833,741	910,083,942	196,582,562	53,810,602	210,954,003	461,347,167	448,736,775	3,961,497,717
2010	512,194,395	-	231,699,399	743,893,794	19,158,000	39,077,537	530,339,521	588,575,058	155,318,736	
2011	574,000,000	-	197,394,861	771,394,861	199,917,308	38,197,390	591,209,638	829,324,336	(57,929,475)	
TOTAL	16,857,347,493	2,115,727,347	4,604,446,745	23,577,521,585	13,871,772,486	2,578,619,861	3,068,242,260	19,518,634,607	4,058,886,978	

Notes

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

Financial and Statistical Tables (Contd)

Table II: Reinsurance

Financial Year	Reinsurance Premium Rs.	Reinsurance Compensation Rs.
Up to 2000/2001	1,640,102,727	1,746,907,836
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	-
2008	61,745,852	-
2009	53,810,602	6,119,201
2010	39,077,537	-
2011	38,197,390	-

iro crop 1999

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

Table III: Fire Statistics, Crop 2011

Sector	Cases Compensated (Number)	Effective Area Burnt (Hectares) (1)	Total Area Harvested (Hectares) (2)	Area Burnt as % of Area Harvested %(1)/(2)
North	65	39.395	12,730	0.3
East	19	18.708	15,805	0.1
South	27	64.841	17,359	0.4
West & Centre	21	14.671	9,883	0.1
Island	132	137.615	55,777	0.2

Financial and Statistical Tables (Contd)

Table IV: Sugar Price

	Planters	Millers	Weighted
	(Rupees)		
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
2008	16,444	16,000	16,346
2009	15,627	15,000	15,489
2010	13,409	12,700	13,253
2011	16,013	15,300	15,856

Table V: Events (1957-2011)

Events	1957 to 1959	1960 to 1969	1970 to 1979	1980 to 1989	1990 to 1999	2000 to 2009	2010 to 2011	Total
C	1	4	2	1	1	--	--	9
C & D	--	2	2	--	2	--	--	6
C, D & E	--	--	1	--	--	4	--	5
C & E	--	--	--	2	--	--	--	2
D	2	4	2	4	5	1	1	19
D & E	--	--	2	2	2	4	--	10
E	--	--	1	1	--	1	--	3

Financial and Statistical Tables (Contd)

Table VI: Events by Factory Area, 2002-2011

Factory Area	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
North										
Belle Vue	C&D&E	C&D	---	D&E	D&E	C&D&E	D&E	D&E	---	D
Mon Loisir	C&D&E	C&D	---	D&E	D&E	C&D&E	D&E	D&E	---	D
East										
Beau Champ	C&D&E	C&E	E	E	C&D&E	C&D&E	E	D&E	---	D
FUEL	C&D&E	C&E	E	E	C&D&E	C&D&E	E	D&E	---	D
South										
Britannia	C&D&E	Mill Ceased Operation								
Mon Trésor	C&D&E	C&E	E	E	C&D&E	Mill Ceased Operation				
Riche en Eau	C&D&E	C&E	E	E	C&D&E	Mill Ceased Operation				
Savannah	C&E	C&E	E	E	C&D&E	C&D&E	E	E	---	D
St Félix	C&D&E	C&E	E	E	Mill Ceased Operation					
Union	C&D&E	C&E	E	E	C&D&E	C&D&E	E	E	Mill Ceased Operation	
West & Centre										
Médine	C&E	D	---	D&E	D&E	C&D&E	D&E	D&E	---	D
Mon Désert Alma	C&D&E	C&E	E	E	C&D&E	C&D&E	Mill Ceased Operation			

C : Cyclone

D : Drought

E : Excessive Rainfall

Financial and Statistical Tables (Contd)

Table VII: Credit Co-operative Societies, Crop 2011

Sector	Planters	Area	Sugar	Insurable	General	General
	(Number)	Harvested (Hectares)	Produced (Tonnes)	Sugar	Premium (Rupees)	Compensation (Rupees)
North	2,262	1,472	8,758	9,791	13,270,978	5,629,031
East	3,052	2,089	11,451	13,212	16,803,047	12,845,419
South	2,566	1,587	8,035	9,529	12,166,666	11,498,473
West & Centre	846	586	2,848	3,273	4,320,483	2,635,898
Island	8,726	5,734	31,092	35,805	46,561,174	32,608,821

Table VIII: Millers, Crop 2011

Sector	Millers	Sugar	Insurable	General	General
	(Number)	Produced (Tonnes)	Sugar	Premium (Rupees)	Compensation (Rupees)
North	2	22,983	24,697	30,768,432	102,768
East	2	34,061	38,173	44,042,886	16,158,566
South	1	30,372	32,943	36,491,231	7,335,883
West & Centre	1	8,946	10,100	10,878,879	6,474,575
Island	6	96,362	105,913	122,181,428	30,071,792

Financial and Statistical Tables (Contd)

Table IX: Analysis by Ranking, Crop 2011

Ranking	Planters (Number)	Area Harvested (Hectares)	Canes Milled	Insurable Sugar (Tonnes)	Sugar Produced	Shortfall	General Premium (Rupees)	
							General Premium	General Compensation
Up to 5.4	2,500	1,872	104,510	10,223	8,280	1,054	14,474,191	9,186,957
5.5-5.9	1,715	1,664	103,326	9,696	8,202	772	13,501,651	6,755,424
6.0-6.4	2,226	1,965	123,652	11,674	9,823	1,064	16,062,954	9,535,485
6.5-6.9	2,170	2,101	137,074	12,886	10,961	1,250	17,529,308	11,164,317
7.0-7.4	2,255	2,912	211,575	19,093	17,402	946	25,629,491	8,764,849
7.5-7.9	1,337	1,967	133,319	19,912	17,520	950	25,936,997	8,981,508
8.0-8.4	1,206	1,152	79,800	7,383	6,377	750	9,675,371	7,191,151
8.5-8.9	1,066	3,946	270,498	42,674	37,623	2,285	54,254,131	22,410,862
9.0-9.4	902	3,366	248,369	21,928	19,767	1,048	27,811,174	10,489,424
9.5-9.9	746	7,379	599,844	67,914	62,638	2,002	83,962,195	19,863,007
10.0-10.4	581	789	56,634	5,109	4,604	418	6,262,791	4,358,597
10.5-10.9	509	1,340	85,567	8,202	6,815	1,013	9,858,151	10,844,975
11.0-11.4	386	6,873	547,035	104,972	95,705	3,583	119,680,787	38,901,870
11.5-11.9	311	6,841	549,377	56,557	53,092	945	63,472,466	10,340,032
12.0-12.4	227	185	14,629	1,297	1,177	103	1,440,892	1,178,578
12.5-12.9	188	2,648	187,834	15,639	14,945	98	16,922,107	1,132,791
13.0-13.4	136	458	38,650	2,986	3,117	66	3,134,925	746,389
13.5-13.9	113	1,400	103,795	8,204	8,373	53	8,334,761	647,060
14.0-14.4	65	3,286	291,247	26,605	25,012	484	24,972,619	6,043,309
14.5-14.9	57	894	89,406	7,298	7,095	187	6,542,830	2,372,250
15.0 or more	120	2,739	254,032	20,751	20,878	31	18,277,953	374,501
Island	18,816	55,777	4,230,173	481,003	439,406	19,102	567,737,745	191,283,336

Financial and Statistical Tables (Contd)

Table X: Area Harvested & Cane Weight, Crop 2011

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)	680	710	864	857	289	360	8,970	12,730
	Cane Weight (Tonnes)	51,634	53,083	65,103	63,776	22,218	25,383	718,365	999,562
East	Area Harvested (Hectares)	824	1,023	1,116	1,370	469	602	10,401	15,805
	Cane Weight (Tonnes)	55,832	66,651	72,846	88,391	30,652	40,084	801,221	1,155,677
South	Area Harvested (Hectares)	811	1,003	993	1,012	441	906	12,193	17,379
	Cane Weight (Tonnes)	52,814	61,575	61,862	61,258	28,658	64,952	1,008,201	1,339,320
West & Centre	Area Harvested (Hectares)	283	678	502	374	292	530	7,224	9,883
	Cane Weight (Tonnes)	16,941	40,221	31,408	22,954	21,730	38,820	563,540	735,614
Island	Area Harvested (Hectares)	2,598	3,414	3,475	3,613	1,491	2,398	38,788	55,777
	Cane Weight (Tonnes)	177,221	221,530	231,219	236,379	103,258	169,239	3,091,327	4,230,173

Financial and Statistical Tables (Contd)

Table XI: Number of Planters, Sugar Produced & Insurable Sugar, Crop 2011

Sector		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Miller	Total
North	Number of Planters	2,738	1,003	630	297	43	14	9	2	4,736
	Sugar Produced (Tonnes)	4,098	4,221	5,178	5,090	1,805	2,103	59,432	22,983	104,910
	Insurable Sugar (Tonnes)	4,615	4,738	5,754	5,653	1,981	2,536	62,196	24,697	112,170
East	Number of Planters	3,240	1,433	800	474	70	33	3	2	6,055
	Sugar Produced (Tonnes)	4,455	5,303	5,814	7,066	2,462	3,231	64,120	34,061	126,512
	Insurable Sugar (Tonnes)	5,255	6,278	6,846	8,516	2,879	3,514	71,147	38,173	142,608
South	Number of Planters	2,953	1,378	716	339	65	27	15	1	5,494
	Sugar Produced (Tonnes)	4,325	5,021	5,030	4,924	2,284	5,114	81,844	30,372	138,914
	Insurable Sugar (Tonnes)	5,009	5,681	5,860	5,995	2,552	5,352	86,159	32,943	149,551
West & Centre	Number of Planters	1,070	887	367	136	41	21	8	1	2,531
	Sugar Produced (Tonnes)	1,314	3,070	2,404	1,755	1,698	3,064	46,819	8,946	69,070
	Insurable Sugar (Tonnes)	1,529	3,552	2,835	2,115	2,030	3,743	50,770	10,100	76,674
Island	Number of Planters	10,001	4,701	2,513	1,246	219	95	35	6	18,816
	Sugar Produced (Tonnes)	14,192	17,615	18,426	18,835	8,249	13,512	252,215	96,362	439,406
	Insurable Sugar (Tonnes)	16,408	20,249	21,295	22,279	9,442	15,145	270,272	105,913	481,003

Financial and Statistical Tables (Contd)

Table XII: Premium, Compensation & Shortfall, Crop 2011

Sector		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Miller	Total
North	Premium (Rs)	6,288,306	6,435,897	7,835,342	7,666,925	2,651,456	3,462,809	78,870,976	30,768,432	143,980,143
	Compensation (Rs)	3,019,643	2,850,282	3,059,965	2,638,552	1,136,271	2,333,621	1,720,919	102,768	
	Shortfall (Tonnes)	332	312	338	290	125	257	183	11	
East	Premium (Rs)	6,767,481	8,110,017	8,766,477	10,972,502	3,653,150	4,499,024	83,496,936	44,042,886	170,308,473
	Compensation (Rs)	5,920,590	6,743,034	6,807,421	9,551,280	3,203,966	2,335,883	32,480,291	16,158,566	83,201,031
	Shortfall (Tonnes)	610	691	697	979	318	234	3,051	1,634	8,214
South	Premium (Rs)	6,477,548	7,412,776	7,548,463	7,708,037	3,318,313	6,471,425	93,271,341	36,491,231	168,699,134
	Compensation (Rs)	5,252,135	5,214,683	6,306,594	7,548,844	2,200,655	1,631,926	18,063,177	7,335,883	
	Shortfall (Tonnes)	541	542	656	779	228	200	1,746	693	5,385
West & Centre	Premium (Rs)	2,051,931	4,781,177	3,798,323	2,815,670	2,708,978	4,990,418	52,724,619	10,878,879	84,749,995
	Compensation (Rs)	1,327,981	2,747,342	2,417,371	2,008,313	1,783,919	3,645,403	17,261,483	6,474,575	37,666,387
	Shortfall (Tonnes)	144	299	260	222	187	386	1,558	599	3,655
Island	Premium (Rs)	21,585,266	26,739,867	27,948,605	29,163,134	12,331,897	19,423,676	308,363,872	122,181,428	567,737,745
	Compensation (Rs)	15,520,349	17,555,341	18,591,351	21,746,989	8,324,811	9,946,833	69,525,870	30,071,792	191,283,336
	Shortfall (Tonnes)	1,627	1,844	1,951	2,270	858	1,077	6,538	2,937	19,102

Financial and Statistical Tables (Contd)

Table XIII: Past Years Data (2002-2011)

Crop Year	Planters (Number)	Area Harvested (Hectares)	Canes Milled	Sugar Produced	Insurable Sugar	Shortfall	General Premium	General Compensation (Rupees Th)	Crop Reduction %	Events
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
2008	22,747	60,381	4,533,384	455,374	540,382	40,718	711,852	406,633	16	D & E
2009	21,498	59,108	4,666,949	470,895	523,354	18,919	644,223	178,644	10	D & E
2010	20,311	57,670	4,365,794	457,131	493,306	-	505,976	-	7	-
2011	18,816	55,777	4,230,173	439,406	481,003	19,102	567,738	191,283	9	D

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

Staff matters

1. STAFF LIST

Head Office

Lucette M D Athion, Aniffa B Aumeerally, Soochitra D Bachoo, Roopnarain Ballgobin, Sarowsati D Basant Rai, Shilamanee Belut, Rajshree D Boodhoo, Subhashini D Boodhoo, Vijaya Bundhoo, Usha D Bundhun, Shashikala D Chamroo, Veenah D M D Chinappen, Johnny S S Chong Chap Sin, Fritz J L Chowrimootoo, Rajcoomaree Dabee, Kavita Damry, Maha Devi Dewan, Mahendranath Dewkurrun, Amarsing Dinajasingh, Kavita Doollub, Jayshree Gangaram, Deorajnuth Gansam, Chandarman Ghumondee, Gaoutam Gooroochurn, Dayen Gujadhur, Madhvee Gunesh, Titrunjansing Gunessing, Gajendrasingh Gungadeen, Basmattee Gunness, Amrita M Huree, Rameshwari Jagun, Anund Jahul, Devina M Jankee, Saffick Janoo, Suresh Jatoonah, Vijay K Jeewooth, Sonalall Jhurree, Vishnuduth Jooron, Rajendranath Kallychurn, Seevananda Kathapermal, Yantee D Khemraz, Kaliani Koolash, Sheela D Koonja, Ram Kunniyah, Umadevi Kurreeman, Ranita H J R S Mahadeo, Naraindre Motee, Youveraj Nathoo, Jimmy Y K Newk-Fon Hey Tow, Mohammad Ameen I Noormahomed, Krishna J Pareemanun, Sabita Pattoo, Cheryl M V Payet, Yashin M Peermamode, Arvin Poreema, Devendra K Purmessur, Diness Purryag, Kanta Purryag, Sarojun Ragen-Beeharry, Mirabai S Ragudu, Sarojni Ramanna, Vidia Ramaswami, Rajwantee Rambojun, Lakshika D Ramkissoon, Chandnee Ramlall, Prathiba Ramlochund, Pritee Ramnochane, Devika Ramrecha, Rajwantee D Ramrichia, Hemwan-tee Ramsokul, Roshila Devi Rekhaye, Brijanand Runglolsing, Asraf A Sahajasein, Florence Seblin, Shashimala Seeboo, Shashimala Servansingh, Roshni Sonahee, Surekha N D Soobrayen, Jayendra Sookdeb, Amarnath Sookun, Rajkarrun Sookun, Rajcoomaree Soopal, Phoolmani Sooruyah, Nandinee Sreemantoo, Rita Surjoo, Rajkumari Tauckoor, Krishnamoorthy P Vayapooree

Camp de Masque

Raouf Bhaukaurally, Gowtam Bulato, Dhaneswar Bumma, Appanah S Cuniah, Devadasen Curpen, Deodass Emerith, Premduth Jugnarain, Tayeb M Kader Bathia, Shyamduth Luttoo, Rakesh Naiko, Shiam Narsimulu, Saoud M Nunhuck, Narainsamy Pothan, Ramesh Rambhojoo, Krishnanund Sheoraj, Raz Siburuth, Hassen Soodhoo, Prem Taulloo

Mare d' Albert

Mardaymootoo Andian, Brown Appadoo, Sadasiven Arnasalon, Gooroodeo Bansy, Manoj K Beedasy, Anandpersad Beeharry, Koomar Bhunjun, Virendra K Bissoonauth, Tikaram Boodhooa, Jagdice Buchoo, Rajen Bundhun, Pierre H Chevathian, Toolsee Groodoyal, Nundkishore Kissensing, Jaideo Mokoonlall, Harrish Mungur, Dharmanand Nathoo, Sanjeet Nistar, Rafick M Nunnoo, Goraj Peryagh, Narainsamy Pydiah, Asutosh S Ramsahye, Sanassee Sanassee, Ignace Sandean, Kissorlall Seechurn, Romeswar Seegolum, Anthony Seenevassenpillay, Jose M Soobrayen, Maheshwarnath Soogumbur, Pravin Sooklaur, Tarkeshwarnath Soonarane, Lutchmeenarain Sunassee

Pamplemousses

Moossa Aiahsaib, Anand Appa, Rajendra K Baboolall, Subash L Bamma, Rajnish Bhuckory, Rajcoomarsing Bijlall, Sookraj Bissessur, Beepraj Bohorun, Annoopamshyam S Buljeeon, Sasan Buton, Sanjeev K Callychurn, Nundeo Chacoory, Clovis L J Charlot-Colomes, Omduth Choolun, Prakash S Dinnoo, Darshan Dookhy, Vivendra Goorah, Satyanand Hulkua, Chutterghoon Khettoo, Harrish

Staff matters (Contd)

Khoodeeram, Issoop Leddha, Ramcharan Maywah, Hunsraj Mungur, Sooriadeho Punchu, Devanand Rajoo, Parsooram A Ramasawmy, Ishwarduth Ramchurn, Ootamduth Ramkeesoon, Dewjit Ramsahye, Soopramanien Ramsamy, Pardoomandass Seebaluck, Yahsin Sheik Fareed, Satiavrat Sookaloo, Devkumarsing Sreepaul, Rajandra R Surjoo, Khelawon Teeluck, Soopayah Veeren

Quartier Militaire

Sadaseeven Anadachee, Rishikumar Arsadi, Yogeshwar Bachasingh, Rajnan Baldeo, Kesswar Balgobin, Rengasamy Beemadoo, Rajcoomar Bhoondah, Doorwanand Bissessur, Bohwaneswar Chitamun, Nandarajen Coolanaden, Vijayatma Daby, Shaheed Dargaye, Ishwardeo Golam, Nazirkhan Hossen, Rohit Jahajeeah, Vishal Kadoo, Dawandranath Maghun, Ramlagun Mautadin, Amal D Mohabeer, Rajeshwur Mohajeer, Seikanand Mohun, Shanmoogum Mookien, Ramjeet Moorut, Soodesh Multra, Moonosawmy Paniken, Brijesh B Ramdewor, Sakuntala Ramhit, Doorgacharrun Singh Ramiad, Bhojuswar Ramkissoon, Deepak Ramtohol, Benymadho Roopun, Asokumardass Seebaluck, Arveen Seewooram, Soodesh Sohabul, Danilall Sookun

Souillac

Atchanah Appiah, Dharma Rajen Beelato, Bramdath Bhoobul, Beerjanand Bhunjun, Shantaram Bhurtun, Veeraj Coondiah, Sumangal Dewoo, Vatanlall Gangoo, Lutchmee Persad Ghoora, Sookram Goberdhan, Rishi K Greedharee, Yemraj Jamansing, Dinanath Jayeprokash, Mohundranath Jumnah, Randhir Kissensing, Sudess Luchman, Sada Mooneesawmy, Sarvam Nuckcheda, Oomraj Nundun, Sooriedeo Ramdowar, Ravi Sham, Christian Soobroydoo, Jayduth Teeluck, Amritlall Toory

Vacoas

Reshad Bhaukaurally, Parthiben P Coopamah, Jeewan Garibdass, Surendranath Gopal, Ravind Jeewoath, Shivranee Jhurkut, Satyanand Kanhye, Bhimsen Mangra, Ibrahim Mathurah, Chatterjee Nathoo, Reshad M Oozeer, Noorani M Peerun, Deven Perianen, Kaylass Ramsokul, Mohamedally Rosun, Ranjeet Seebun, Ramchundar Seekunto, Ishwar S Seewoonauth, Krist Sooben, Sanjaye Tackopersadh

2. RETIREMENTS

- i. Mr Seikanand Mohun K, Senior Field Officer, retired on 4.01.11.
- ii. Mr Parsooram A Ramasawmy, Senior Field Officer, retired on 11.03.11
- iii. Mrs Rajcoomaree Soopal, Higher Executive Officer, retired on 2.04.11.
- iv. Mr Mohammad Reshad Oozeer, Senior/Head office Attendant, retired on 20.07.11
- v. Mr Mardaymootoo Andian, Field Officer, retired on 12.09.11.
- vi. Mr Virendra Kumar Bissoonauth, Senior Field Officer, retired on 6.09.11
- vii. Mr Prakashsingh Dinnoo, Senior/Head office Attendant, retired on 26.12.11

3. OBITUARY

It is noted with regret that the following officers passed away in the year 2011:

- i. Mr Rajendranath Kallychurn, Senior/ Head Office Attendant, passed away on 06.04.11
- ii. Mr Anand Jahul, Assistant Inspector, passed away on 18.04.11
- iii. Mr Maheshwarnath Soogumbur, Senior Field Officer, passed away on 30.06.11
- iv. Mr Pierre Hervey Chevathian, Field Officer, passed away on 19.07.11

The Sugar Insurance Fund Board expresses its deepest sympathy to the bereaved families.

Glossary

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
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





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