



# **Annual Report 2021-2022**





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## CHAIRPERSON'S LETTER

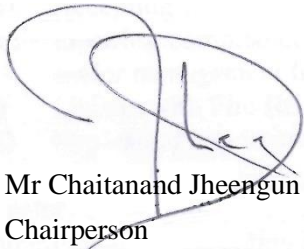
The Honourable Maneesh GOBIN  
Attorney General  
Minister of Agro Industry and Food Security  
9<sup>th</sup> floor, Renganaden Seeneevassen Bldg  
Port Louis

Sir,

In accordance with Section 9 (1) and (2) of the Statutory Bodies (Accounts and Audit) Act, the Board of the Sugar Insurance Fund is pleased to present its Annual Report including the audited Financial Statements ended 30 June 2022 to be laid before the National Assembly.

The Annual Report was approved by the SIFB on 26 September 2022.

Yours faithfully



Mr Chaitanand Jheengun  
Chairperson  
Sugar Insurance Fund Board

**Date: 28<sup>th</sup> April 2023**



## CHAIRPERSON'S REPORT

On behalf of the Board, I am pleased to present the Annual Report of the Sugar Insurance Fund Board for the Financial Year ending 30 June 2022.

The Annual Report which includes the Corporate Governance Report and the Audited Financial Statements was approved by the Board on 26 September 2022.

During this financial year, various measures and incentives were undertaken by the Board to strengthen governance principles at both Operational and Board level, by developing and enforcing various codes and policies based on the Code of Corporate Governance. Refurbishments works were carried out and up to date IT tool have been provided to enhance their working conditions.

In an endeavour to counter the propagation of Covid-19, arrangements were made for automatic registration of Insureds so as to limit their movement at both Head office and outlets. Precautionary measures were introduced/reinforced in line with directives of the Ministry of Public Service, Administrative and Institutional Reforms. Also, zoom facilities were in place for Board meetings and at operational level to ensure continuation of the day to day running of the organisation.

To keep abreast of latest technology and counter field operational issues, the Fund entered into agreement with a foreign firm namely Precifield through the intermediary of its local partner Entes Ltee to commission a pilot project of Satellite Imagery in the Beau Plan Factory Area in the first instance and should the pilot project prove to be conclusive, same will be extended to the whole island. The Satellite Imagery project when operational is expected to substitute the traditional, labour-intensive and time-consuming rounds of inspection whereby data collected have often been argued to be subjective, lacking authenticity and non-evidence based. Agronomic information such as degree of fertilisation and weediness control among others could also be extracted from the satellite imagery using artificial intelligence & deep learning tools. Algorithms will be developed to create statistical forecasting models to give cane yield estimations. The project is also expected to create a base map for accurate plot boundary delimitation (cartography).

An IT Audit was commissioned for the Information Technology systems available at the SIFB. The recommendations of the IT Auditor are being implemented by phase and is expected to run over different financial years. To further strengthen and formalize the operational, financial, administrative and internal auditing processes, a Human Resource Manual, an Internal Audit Standard Operational Procedure Manual, a Financial Management Manual and Standard Operation Procedures are being finalised.

The Fund Commissioned an Actuarial Review in the year 2019 and the recommendations of the Consulting Actuary were implemented during this financial year, applicable as from crop 2021.

Crop 2021 reported in this financial year was not an event year under general insurance. The Fund proceeded with disbursement of some MUR 427.76 Million as general insurance compensation in respect to crop 2020 in line with the SIF Act.

On behalf of the Board, I would like to express our gratitude to the Ministry of Agro-Industry and Food Security, the Mauritius Cane Industry Authority, the Farmer's Service Agency, the Mauritius Sugar Syndicate, the Mauritius Chamber of Agriculture, Millers and Planters and other Stakeholders for their valuable support. I would also like to thank the Management team and all staff for their dedication and engagement.

**Mr Chaitanand Jheengun**

**Chairperson**

## OFFICER- IN- CHARGE’S REPORT

The financial year 2021/2022 was marked by the implementation of the recommendations of the Consulting Actuary effective as from crop 2021, with a view to safeguard the Insured’s interest and ensure sustainability of the Fund.

With the liberalisation of the EU market and elimination of quota in September 2017, the stakeholders in the sugarcane industry, were facing much hardship due to the resulting drastic fall in revenue from sugar proceeds and the Fund stood by their side and supported the industry by providing financial assistances and maintaining the 50% discounted general insurance premium percentages to all Insureds across the board, over and above its legal obligations of compensating Insureds as per the SIF Act.

The above supports helped our Insureds to stay into business, however dragged the Fund into technical insolvency as qualified by the Consulting Actuary who enunciated a series of measures to address this precarious situation.

To counter the problematics of field data capture namely the ageing field staff, labour intensiveness of inspecting activities, and subjectivity of findings collected among others, the Fund has embarked into a “Satellite Imagery project” on a pilot basis for the Beau Plan Factory Area. Artificial Intelligence & Deep learning tools will be used to develop algorithms. Should the pilot project prove to be conclusive; the project will be extended to the whole island.

The key highlights from the financial statements for the year ended 30 June 2022 includes a total surplus of some MUR 403 million, a decrease in total assets by some MUR 194 million resulting mainly from the disbursements of general insurance compensation for crop 2020 amounting to some MUR 427.76M, while the net assets rose by 5.4%. Crop 2021 reported in this financial year was not an event year under General Insurance as per Section 25 of the SIF Act.

I express my appreciation and gratitude to the Board members for their trust and guidance, the staff for their continued dedication and hard work and last but not least, my sincere thank also goes to all partners and stakeholders of the sector for their support.

**Mr Gaoutam Gooroochurn**  
**Officer-in-Charge**



## ABOUT THE SUGAR INSURANCE FUND BOARD

### 1. Background / Introduction

The vulnerability of the monoculture economy to unpredictable adverse weather posed serious threat to the smooth growth of the mono-crop based economy and prompted policymakers to ponder on ways and means to financially protect the farming community. Thus, the idea of insuring the sugar cane crop was first evoked by the British Colonial Government in 1906. The recurrence of cyclones and consequential damages always led to representations by stakeholders of the sugar industry. In 1944, a cyclone caused 25% fall in crop yield; Mauritius was hit by 3 more cyclones in 1945 which brought heavy damage to sugarcane. The aftermath of these catastrophes brought the Colony to its knees and the inhabitants faced insurmountable difficulties. Financial aid from the Imperial Government for rehabilitation of farms/estates was conditional to the setting up of an insurance fund.

After the 1945 cyclone, matters precipitated at Government level with the Chamber of Agriculture, Control Board and representatives of small planters to set up an insurance scheme as a measure of stability and viability of sugar cane crop. The Cyclone and Drought Insurance Board came into operation putting Mauritius in the forefront in the world as provider of such a unique crop insurance scheme in the British territory. The move was widely acclaimed as a success in bringing all categories of sugar producers in the same pool of a mutually-funded insurance scheme.

### 2. Early Stages / Development of the Fund

The first premiums paid covered crop 1947. No claims were admitted by the Board, which allowed the Fund to build up and the first “Event Year” was declared in 1957. The acid test for the Fund was the year 1960 after cyclones Alix and Carol in January and February 1960 damaging 62% of the crop. The Fund collected Rs 12 Million as premium and paid out Rs 140 Million as compensation. This scenario prompted the Fund to strengthen its methods of assessing claims. Verification of acreages cultivated by small planters first began in February 1960. Registration of planters was first resorted to in May 1960 in respect of the 1960 crop.

### 3. The Sugar Insurance Fund Board

In 1974, by a new legislation, the Sugar Insurance Fund Board emerged. Shortly after, the Fund was faced with intense tropical cyclone Gervaise in 1975 and cyclones Claudette, and Hyacinthe & Jacinthe in 1979/1980, damaging 35% of the crop. In 1975, the Fund was on the verge of insolvency and a special levy was imposed on the 1974 crop. The subsequent crucial cyclonic impact was caused by cyclone Hollanda in the year 1994 resulting in a crop destruction of 29% and disbursement of some Rs 1 Billion. Crop 1999 encountered the most severe drought, leading to the ruin of 47% of crop loss. The SIFB again stood by the side of all producers. Following replantation of fields after the 1999 drought, sugar production hiked to its peak of 648,000 metric tons in 2001.

### 4. The 21st Century developments

The 21<sup>st</sup> century was marked by the gradual erosion of trading preferences with the EU and the implementation of a series of industrial reforms. The end of the ACP-EU Sugar Protocol in October 2009 resulted in drastic fall in sugar prices, negatively impacting on producers’ revenue. Since 2009, the industry entered into a phase of transition and was confronted with looming threats to the viability of the sugar sector. The absence of major compensable events, sound assets management and the Board’s investment philosophy improved the finances of the Fund to reach a comfortable level of reserves exceeding Rs 5 Billion in 2010; and became the allure of stakeholders. In view of the then financial strength of the Fund, the SIFB stood by the side of the industry in its turbulent times by offering assistance to insureds in terms of Discounted General Premiums, Premium Holidays and Financial Assistance. During the past decade, the Fund collected premium (General + Fire) amounting to some Rs 1.98 Billion (net of discounts) and made disbursements to the tune of some Rs 4.41 Billion in forms of compensation and financial assistances to Insureds. The gradual drop in total area under cane from 64,132 hectares for crop 2010 to 46,700 hectares for crop 2020 (more details available under the crop highlights section) has been an element of serious concern. Various moves have been made by regulatory institutions in the cane sector to curb this tendency.

## CROP 2021 HIGHLIGHTS

### 1. Registration of Factories and Plantations

In view of the sanitary restrictions that were still in force in the country regarding the containment of the transmission of COVID-19 virus predominantly due to Omicron variant and its sub-variants which were highly transmissible, a one stop-shop registration could not be envisaged for Crop 2021.

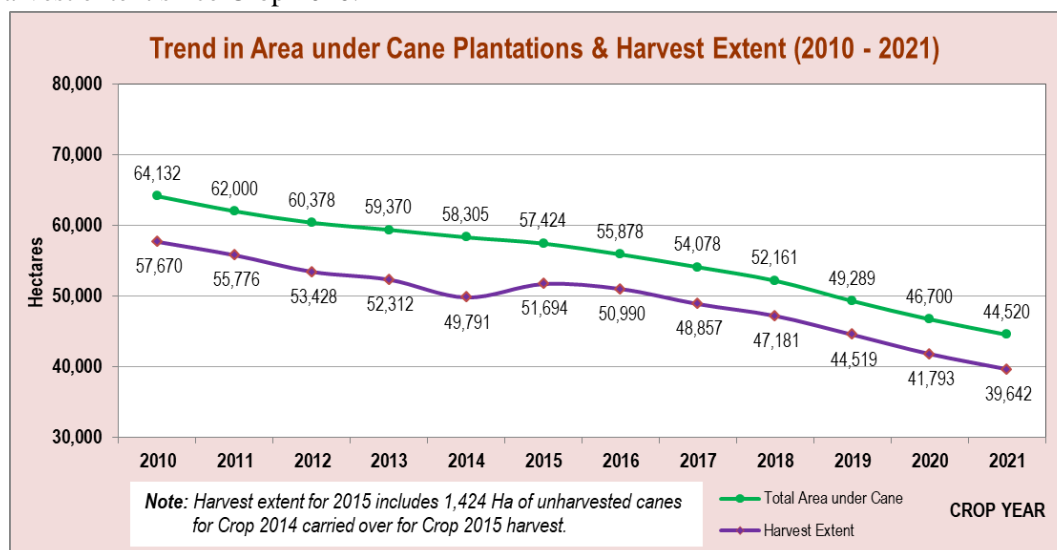
With a view to maintain social distancing and avoid social gathering as is always the case in registration centres during a normal registration exercise, the SIFB had for the third consecutive year automatically renewed the previous year's registration of each growing unit planter for Crop 2021 provided that there had been no change in respect of the area of land which the planter or métayer had under cane cultivation or the area which he intended to harvest during Crop 2021 harvest season.

To that effect, a communiqué was published through the Government Information Service in daily newspapers, aired on private radios and MBC radio and also on MBC TV. Farmers Service Agency, Small Farmers Welfare Fund and the Mauritius Co-operative Agricultural Federation were also requested to affix the SIFB communiqué on their notice boards. Registration cards were posted to all growing unit planters who were advised to inform the Board of any changes thereto.

For Crop 2021, the total number of registered accounts of planters stood at 11,532.

### 2. Crop Harvest & Milling Operations

The total area under cane plantation (plant, virgin and ratoon canes) stood at **44,520** hectares for Crop 2021. Crop 2021 witnessed an effective drop in extent under cane of **2,180** hectares of cane land from that of the previous crop year. **Figure 1** below depicts the trend in extent under cane and harvest extent since Crop 2010.



**Figure 1**

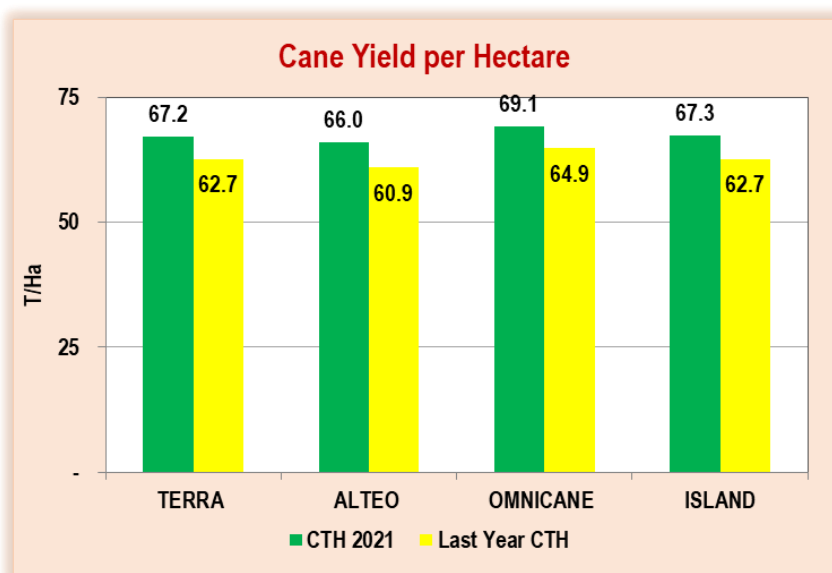
Milling operations for Crop 2021 first started at ALTEO factory on the 14<sup>th</sup> June 2021 and ended at TERRA factory on 08<sup>th</sup> January 2021.

The total area harvested for Crop 2021 for milling purposes stood at **39,642** hectares as compared to 41,793 hectares for Crop 2020. The highest harvest extent is seen in ALTEO enlarged factory area with 15,990 hectares under cane harvested for milling whilst TERRA enlarged factory area had the lowest (10,748 Ha).

The highest cane yield per hectare recorded at enlarged factory level is 69.1 T/Ha for OMNICANE, whilst ALTEO had the lowest cane yield (66.0 T/Ha). **Table 1** shows the harvest extent, cane weight and cane yield for each enlarged factory area.

**Table 1 – Harvest Extent and Cane Yield**

Enlarged Factory Area	Harvest Extent (Ha)	Cane Weight (T)	Cane Yield [T/Ha]
TERRA	10,748	722,563	67.2
ALTEO	15,990	1,054,944	66.0
OMNICANE	12,904	892,160	69.1
<b>TOTAL</b>	<b>39,642</b>	<b>2,669,667</b>	<b>67.3</b>



**Figure 2**

### 3. Sugar Production

For Crop 2021, the total tonnage of canes harvested and sent to mills for sugar production island-wide by planters was **2,669,667** tonnes, as compared to 2,620,121 tonnes for the previous crop season.

For Crop 2021, the amount of sugar produced at 98.5° pol was **257,155** tonnes as compared to 272,348 tonnes manufactured in 2020.

Island average sugar extracted per tonne of cane for Crop 2021 was **9.63%** at 98.5° pol as compared to 10.39% in 2020, a drop by 0.76 percent. The highest sugar extraction per tonne cane was recorded at TERRA (10.08%) and the lowest at ALTEO (9.23%).

**Table 2 – Final Assessment of Sugar**

ENLARGED FACTORY	Crop 2021	Crop 2020
TERRA	10.08%	11.28%
ALTEO	9.23%	10.01%
OMNICANE	9.74%	10.12%
<b>ISLAND AVERAGE</b>	<b>9.63%</b>	<b>10.39%</b>

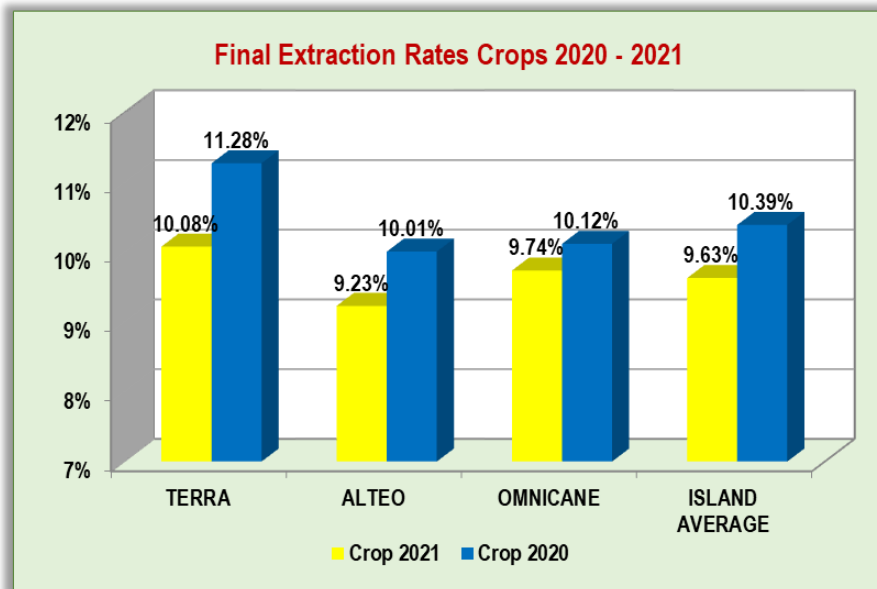


Figure 3

#### 4. Number of Sugar Producers

The total number of insured accounts for Crop 2021 stood at **10,469** compared to 11,421 for the previous year. However, the total number of sugar producers for Crop 2021 stood at **9,654** as compared to 10,390 for Crop 2020. This consists of:

- (i) **9,651 planters/ métayers** having consigned canes for milling (as compared to **10,387** for Crop 2020); and
- (ii) **3 millers** each having a sugar accruing corresponding to 22% of sugar share from all canes consigned to mill by cane growers.

#### 5. Actuarial Review 2019/2020

In November 2021, the Board adopted the final actuarial review dated 29 November 2021 submitted by the Consulting Actuary, PricewaterhouseCoopers Assurance Services (Pty) Ltd effective as from crop 2021.

The recommendations of the Consulting Actuary with regard to insurance issues of the SIFB are summarized below:-

- (i) **Area basis for declaration:** event year criteria be applied on an *Island wide* basis.
- (ii) **Grouping of Insureds:** segmentation of insureds between small and large planter be maintained, i.e.grouping of all small planters on an EFA basis, for the purposes of determining premium and compensation; large planters are assessed on an individual basis.
- (iii) **Definition of normal years:** the current definition of “normal years” be amended to reflect that the 5 years preceding any crop year be considered as opposed to the 8 years currently defined.
- (iv) **Rankings:** The ranking formula be adjusted as per below:

$$R2 = R1 (1.05 - 0.1C/P)$$

Where:

- R2 is the ranking to be calculated for any crop year;
- R1 is the ranking for the year previous to that for which ranking R2 is being calculated;
- C is the compensation if any, other than for loss by fire paid in the year previous to that for which ranking R2 is being calculated;
- P is the general insurance premium paid in the year previous to that for which ranking R2 is being calculated.

- (v) **First loss percentage:** the first loss percentage as previously specified in the Second Schedule of the Act be reinstated.
- (vi) **Value Percentage:** the value shortfall percentages be reinstated as it was prior to the Actuarial review 2017-2018.
- (vii) **Premium Percentage:** the premium discount be removed fully i.e. the premium rates as defined in the current “Premium percentage of value of (insurable sugar)” specified in the Second Schedule of the Act be amended to reflect the removal of the current premium discount of 50%.
- (viii) **Cap on Compensation:** a 45% cap on compensation be introduced by altering the insurable sugar as follows:  
Where the sugar accrued of an insured is less than 55% of his insurable sugar in any crop year, his insurable sugar shall be deemed to be his sugar accrued divided by 55% for the purpose of assessment of compensation.
- (ix) **Rounding of crop reduction percentage:** the Total Sugar Accrued for a prescribed area as a percentage of its Total Insurable Sugar should not be rounded for the purpose of declaration of event year.
- (x) **Revised Fire Premium Structure:** the revised premium structure with No Claims Discount Levels for the Fire Insurance product be continued to be implemented, with the addition of two additional Premium Penalty Levels of 20% and 40% for a planter who claimed for 2 consecutive years and for a planter who claimed for 3 consecutive years respectively.
- (xi) **Increase Fire Compensation Rate:** the fire compensation rate be increased to Rs625 per tonne of cane burnt.
- (xii) **Treatment of Transport Allowance for NCD purposes:** Since transport allowance forms part of the claim, it has to be included in the calculation of the No Claims Discount Level for premium.
- (xiii) **Aligning treatment of Gappiness between Fire and General Insurance:** the treatment of gappiness be harmonized for both general compensation and fire compensation.
- (xiv) **Actuarial Assessment prior to Financial Assistance/Non-claim compensation related Disbursements from the Fund:** Taking into global good practice we also recommend Board mandates that an actuarial solvency assessment and recommendation is required prior to distributing any surplus funds as “non-claim” related disbursement (not deemed “compensation” per the current SIF Act) i.e. an actuarial assessment is a prerequisite to any consideration of distributions from the Fund. In our view, an actuarial assessment is requirement to determine the current/latest “surplus” within the Fund by considering the actuarial liabilities and solvency capital requirements of the Fund and thus determine the viability of such disbursements. Additionally the actuarial assessment should consider the impact on both the current as well as the short to medium term solvency position of the Fund.

In February 2022, the Board agreed that the SIFB amends its internal insurance system based on the new terms of insurance in line with the recommendations of the Consulting Actuary. Amendments to the Sugar Insurance Fund Act and regulations were to be made in due course in light of the upcoming Finance (Miscellaneous provisions) Bill 2022-2023.

## 6. General Insurance

### *Sugar Price for Insurance Purposes*

In accordance with Section 47 of the Sugar Insurance Fund Act, the sugar price for insurance purposes in respect of Crop Year 2021 was determined at the rates of:

- (i) **Rs. 16,493** per metric ton of sugar for the growing side, inclusive of added value of molasses.
- (ii) **Rs. 15,464** per metric ton of sugar for milling side.

These rates were published under General Notice No. 1903 of 2021 in the Government Gazette.

### ***Declaration of Event Year***

Section 25 (1) of the Sugar Insurance Fund Act provides for the declaration of an Event Year by the Board on account of the occurrence of cyclone, drought or excessive rainfall where, in any crop year, the total sugar accrued is not more than the prescribed percentage of the total insurable sugar for any prescribed area. For Crop 2021, the prescribed percentage was 80% and the prescribed area was categorised in two groups, namely planters of all the Growing Units in the island of Mauritius and all the large planters in the island of Mauritius.

Since none of the two groups of planters has its Total Sugar Accruing less than 80% of the Total Insurable Sugar i.e. a crop loss percentage exceeding 20%, no declaration of event year was warranted with respect to Crop 2021.

### ***General Assessment***

For Crop Year 2021, the total amount of sugar accruing was 257,155 tonnes against a final Total Insurable Sugar of 300,912 tonnes, i.e. a crop reduction of 14.5% island-wide.

The General Premium Income (GPI) receivable for the year was **Rs 369.7 Million** from all insureds, inclusive of a Government grant of Rs 56.6 Million for reduced general premiums in favour of small planters/métayers having not more than 60 T of sugar accrued for Crop Year 2021.

Since no Event Year has been declared in respect of any of the two groups of planters in the island, no general compensation was payable.

### ***General Premium Waiver***

In line with Paragraph 139 (b) of the 2021-2022 Budget Speech and section 51 of the Sugar Insurance Fund Act, the general premium for crop 2021 for small planters/métayers having not more than 60 T of sugar accrued was paid in full from the Consolidated Fund into the General Insurance Account Fund for a total amount of Rs 56.6 Million.

## **7. Fire Insurance**

### ***Inter-crop Fire 2021***

For Crop 2021, the total number of compensated fire cases caused by inter-crop fire was **32** representing a total extent of **92** hectares of canes destroyed island-wide.

A decrease in compensable cases has been observed compared to Crop 2020 which stood at 82 eligible insureds for a total extent of 197 hectares. However, the inter-crop fire compensation paid amounted to **Rs 4.2 M**, compared to Rs 7.6 M for Crop 2020. This decrease in amount paid is attributable to the fact that compensable extents burnt were lower than the last inter-crop season.

The number of compensable fire cases was more prominent in the South sector of the island.

### ***Fire during Harvest 2021***

The number of fire occurrences during harvest season was observed to be more prominent in the North sector of the island.

A total amount of **Rs 1.5 M** was disbursed to **17** eligible planters as road transport allowance for transportation of burnt canes for milling at another sugar factory outside their respective enlarged factory areas, compared to Rs 1.4 M for the last harvest season.

### ***Fire Insurance Account***

The loss ratio under the Fire insurance Account for Crop 2021 was **60%**, representing an island-wide compensation of **Rs 5.8 M** against an island-wide premium of **Rs 9.6 M**, inclusive of a Government grant of **Rs 0.9 M** for reduced fire premiums in favour of small planters/métayers having not more than 60 T of sugar accrued for Crop Year 2021.

As a result of the claims experience with respect to Crop 2021, the balance in the Fire Fund has increased from Rs 2.07 M as at 30 June 2021 to **Rs 5.65 M** as at 30 June 2022.

## CORPORATE GOVERNANCE REPORT

The Sugar Insurance Fund Board (SIFB) is dutybound to operate within a good governance framework that is based on a system of impartiality, transparency, accountability, and trust. The Board of SIF provides oversight and strategic governance leadership to the Fund.

The SIFB is committed to operate in line with best practice as set out in the National Code of Corporate Governance for Mauritius, 2016 (the 'Code') by virtue of the provisions of the Financial Reporting Act 2004.

The Corporate Governance Report describes how the SIFB has implemented the recommendations of the Code.

### Principle 1: Governance Structure

#### The Board of SIF

The Fund is governed by the Sugar Insurance Fund (SIF) Act (1974) and provides for the latter to be administered and led by a Board known as the Sugar Insurance Fund Board. The Board is a body corporate. The Fund is a public interest entity as defined by the Financial Reporting Act 2004 and operates under the aegis of the Ministry of Agro Industry and Food Security.

#### The Fund

In accordance with Section 5 of the SIF Act, the Board is constituted as follows:

- (a) a Chairperson, to be appointed by the Minister on such terms and conditions as the Minister may determine;
  - (b) the supervising officer of the Ministry responsible for the subject of agriculture or his representative;
  - (c) the Financial Secretary or his representative;
  - (d) the Director of the Control and Arbitration Department of the Mauritius Cane Industry Authority;
  - (e) a representative of the Chamber of Agriculture;
  - (f) 4 representatives of planters;
  - (g) a representative of millers;
  - (h) a representative of the Mauritius Cane Industry Authority.
- (2) The Directors specified in subsection (1)(f) (g) and (h) shall -
- (a) be appointed or designated by the Minister, as the case may be; and
  - (b) hold and vacate office on such terms as the Minister may determine.
- (3) Every director shall be paid such allowance as may be determined by the Minister.

#### Role and Responsibilities of the Board

The Board is charged with leading and managing the Fund in an effective and responsible manner. The Directors, collectively and individually, are aware of their responsibilities to insureds, Government and other stakeholders for the manner in which the affairs of the Fund are managed.

The Board has delegated authority to the General Manager who shall be responsible for the execution of the policy of the Board and for the control and management of its day-to-day business.

The Board is to ensure that the Fund is managed in an effective and responsible manner in accordance with the SIF Act.

The Directors have a legal duty to act in the best interest of the Fund.



## **Board Charter**

The Board adopted a Board Charter in September 2021 which details amongst others the framework for the composition, responsibilities, duties, procedures, powers, authority and accountability of the Board of Directors of the SIF.

The Board Charter is published on the website of the Fund.

## **Code of Ethics and Conduct for Directors of the Board**

The Fund is in the process of adopting a Code of Ethics and Conduct for Directors of the Board which will articulate acceptable and unacceptable behaviours.

## **Corporate Objectives Statement**

Management will be developing a Corporate Objectives Statement which will ultimately be approved by the Board.

## **Chairperson of the Board**

The role of the Chairperson of the Board is to:

- (1) Represent the Board, provide leadership to the Board and ensure its effectiveness in all aspects of its role.
- (2) Set the Board agenda with the assistance of the General Manager and Secretary to the Board.
- (3) Ensure that the Board is fully apprised of critical issues and has the opportunity to debate the strategic direction of the Institution.
- (4) Ensure the Board undertakes continuous development in order to enhance governance practices within the Board itself and in the interest of the Institution.

## **General Manager**

The Role of the General Manager is to:

- (i) Develop and Recommend policies for Board adoption.
- (ii) Ensure that policies already adopted are duly implemented.
- (iii) Strive consistently to achieve the company's financial and operating goals and objective.
- (iv) Ensure that the day-to-day business affairs of the company are appropriately monitored and managed;
- (v) Establish and maintain efficient and adequate internal control systems.
- (vi) Ensure that the Board is apprised about the operations of the institution through presentation of relevant board papers.
- (vii) Oversee the implementation of a framework on information, information technology and information security governance.
- (viii) Develop and implement health and safety policies and practices aligned with regulatory requirements.

## **Secretary**

The Administrative Secretary acts as the Secretary to the Board and its Committees.

The main responsibilities are, among others, to prepare and circulate agendas and papers to the Board and sub committees, to take minutes of meetings and ensure that the Fund complies with its Act and any procedure established by the Board.

## Principle 2: The Structure of the Board and its Committees

The Board is ultimately responsible for accountability and performance of the institution.

For the period under review, the composition of the Board is as follows:

- Mr Chaitanand Jheengun Chairperson
- Mr Medha Gunpath Representative of Ministry of Agro Industry & Food Security
- Mr Vikraj Ramkelawon Representative of Ministry of Finance & Economic Planning and Development
- Mr Devendra Nath Busgeeth Representative of the Control and Arbitration Department of the Mauritius Cane Industry Authority
- Mr Sebastien Mamet Representative of Mauritius Chamber of Agriculture
- Mr Pramanund Newoor (M.S.K) Representative of Planters
- Mr Madhoosoodhun Motah (M.S.K) Representative of Planters
- Mr Jugdutt Rampersad (O.S.K) Representative of Planters
- Mr Kumar Khelawon Representative of Planters
- Mr Jean Li Yuen Fong Representative of Millers
- Mr Satish Purmessur Representative of MCIA

Apart from the Board itself, as specified in Sections 5 and 6 of the SIF Act, and its Investment Committee (section 10 of the SIF Act), the Board has established a Corporate Governance Committee, an Audit Risk and Management Committee, a Staff Committee, a Finance Committee, an Assessment Committee and an Information Technology Steering Committee. Other sub committees are formed for specific purposes and disbanded as required.

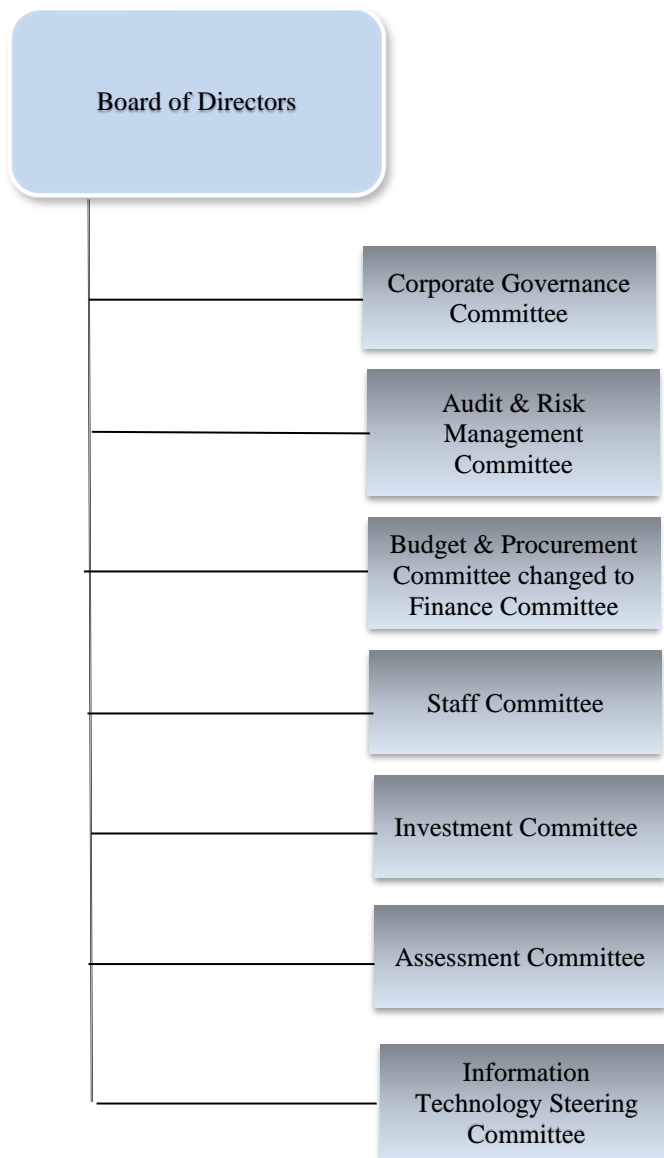
The Board shall determine the members of any committee.

The terms of reference and composition of Board committees are set out in separate documents and are available on the website of the SIFB.

Board sub committees are formed to facilitate efficient decision-making. Board committees observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.

The Board remains collectively responsible for the decisions and actions taken by any Committee.

## Board Structure



Below is a record of all Board and subcommittee meetings held during the period under review.

	July 2021 to June 2022
Board Meeting	17
Corporate Governance Committee	1
Assessment Committee	4
Audit & Risk Management Committee	3
Staff Committee	3
Investment Committee	2
Finance Committee	1
Information Technology Steering Committee	1

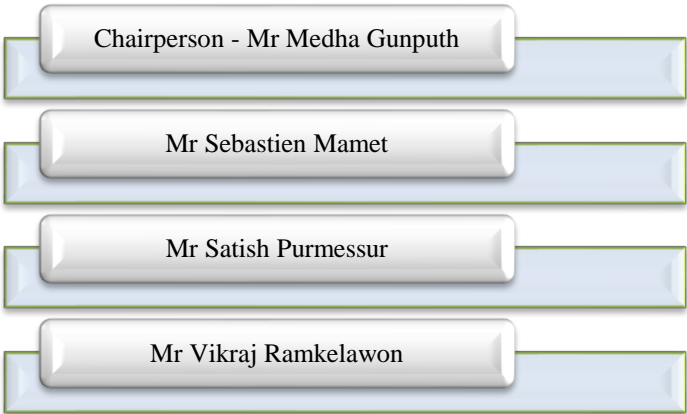
The Board reconstituted the Corporate Governance Committee during the reporting period, and the said Committee consisted of only Board members other than the Chairperson of the Board. The mandate of the Budget & Procurement Committee was reviewed and changed to Finance Committee in October 2021

The Information Technology Steering Committee was established by the Board in May 2022.

**Corporate Governance Committee**

The Corporate Governance Committee has as main attribute to ensure that the Fund complies, as far as applicable, to good corporate governance practice. The Committee also monitor and review the Code of Ethics (including conflict of interest guidelines) to assist Board members and staff in the performance of their duties.

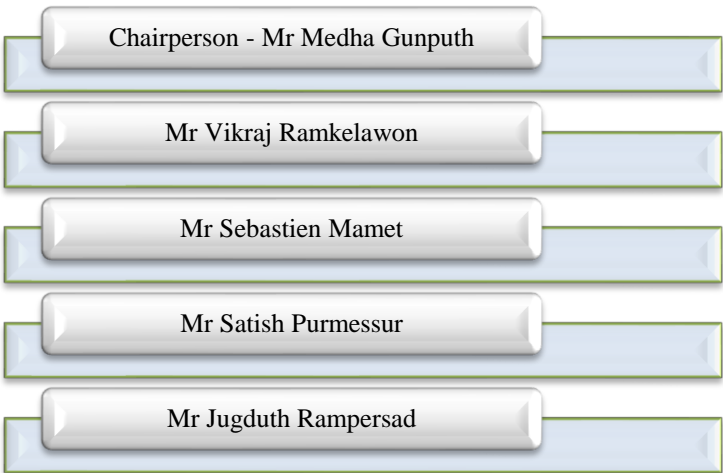
*Composition*



**Investment Committee**

The Committee established by the SIF Act has as attributes the investment strategies of the SIFB.

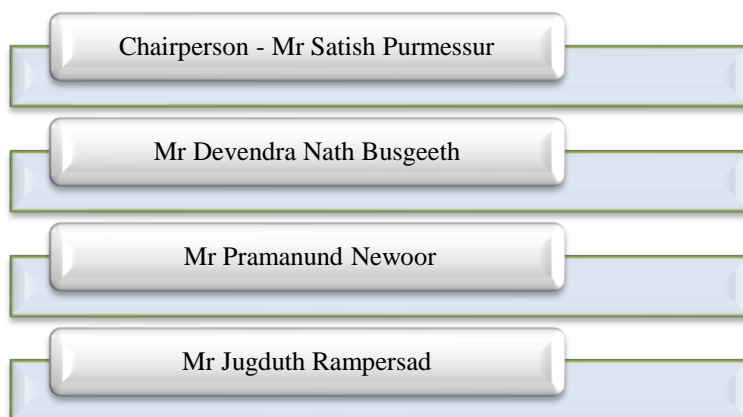
*Composition*



## Assessment Committee

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

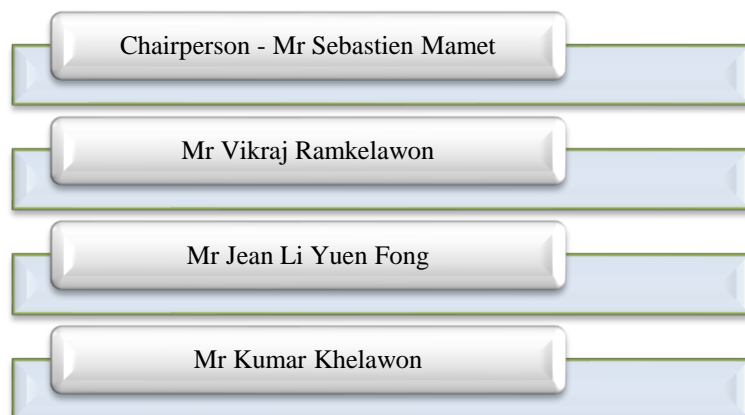
### *Composition*



## Audit and Risk Management Committee

The Audit & Risk Management 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.

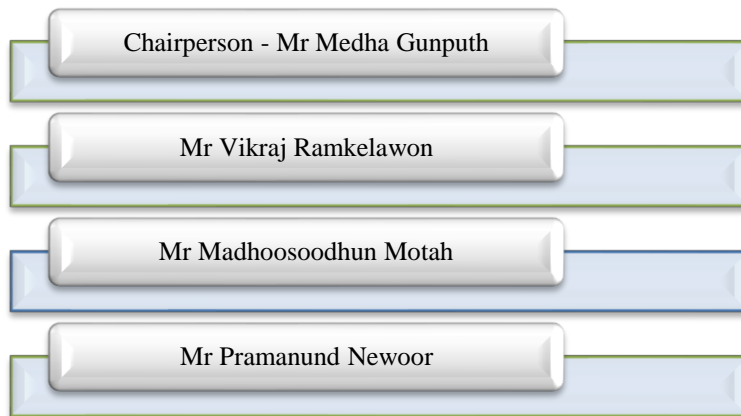
### *Composition*



## Staff Committee

The 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.

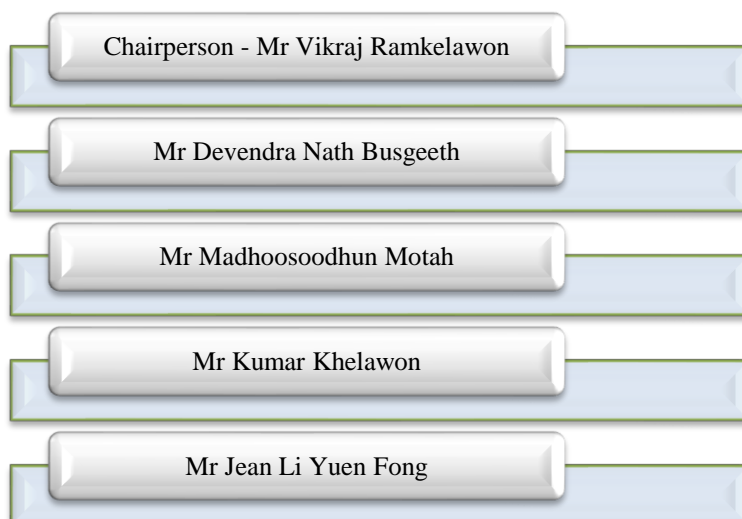
### *Composition*



## Finance Committee

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

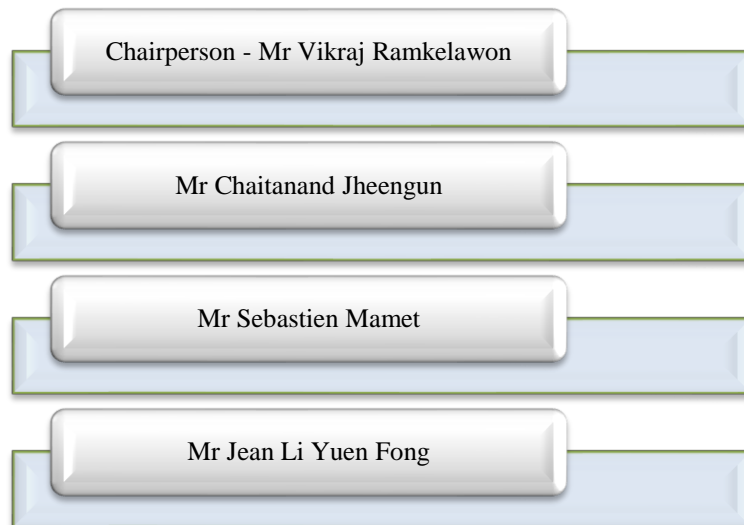
### *Composition*



## Information Technology Steering Committee

The Information Technology Steering Committee has the authority to provide strategic advice, guidance and direction to the Board of Directors on Information Technology and information management strategies, governance, operations, policies and controls.

### *Composition*



## Board Members Profile:

### Mr Chaitanand Jheengun



Born in 1960, Chaitanand (Rishi) JHEENGUN is a Fellow of the Chartered Governance Institute UK & Ireland (ICSA) and holds a Masters in Business Administration - Heriot Watt University, Edinburgh.

Mr C. Jheengun joined the public service in 1982 as Customs & Excise Officer at the Customs & Excise Department, Ministry of Finance. He left in 1990 to join KPMG Peat Marwick and in the same year joined the Stock Exchange of Mauritius (SEM), as Administrative Officer/ Company Secretary. He was the Group Company Secretary of the Stock Exchange Ltd until 2018. He was the Head of the Trading & Market Information department at the Stock Exchange of Mauritius Ltd Compliance Officer and Money Laundering Officer of SEM and member of the SEM Listing Executive Committee until February 2022. He is presently the Company Secretary of the Central Depository & Settlement Co Ltd and Director of SICOM. He is also an executive member of the ICSA - Mauritius Branch.

### Mr Medha Gunpath



Born in 1958, Mr Medha Gunpath holds a Diploma in Public Administration and Management from the University of Mauritius and a BSc from the University of Punjab, India.

Mr. M. Gunpath has attended training courses at the Royal Institute of Public Administrators in UK and l'École National d'Administration Publique in France. He started his career in the administrative cadre as Assistant Secretary in the Prime Minister's Office, and occupied the post of Clerk to the Cabinet for five years.

He served as Principal Assistant Secretary in several large Ministries before occupying the post of Secretary to the President for almost nine years. In 2015 joined the Private Office of the Prime Minister's Office as Permanent Secretary. In 2017 he was posted at the Minister Mentor's Office. In 2019, he was again posted at Prime Minister's Office (Rodrigues, Outer Islands and Territorial Integrity Division). He has served as Chairperson and Member to several Statutory Bodies and Committees. Currently, he occupies the post of Senior Chief Executive at the Ministry of Agro Industry and Food Security.



### **Mr Vikraj Ramkelawon**



Born in 1976, Mr Vikraj Ramkelawon holds a Master Degree from the University of Mauritius in Electronic Business and is also a member of the Association of Chartered and Certified Accountants (ACCA).

Mr V. Ramkelawon has a wide experience in the Finance Sector and he is presently Lead Analyst at the Ministry of Finance & Economic Planning and Development.

### **Mr. Devendra Nath Busgeeth**



Born in 1958 Mr Devendra Nath Busgeeth holds a BSc Honors in Sugar Technology from the University of Mauritius.

Mr. D.N. Busgeeth is the Acting Director of the Control and Arbitration Department.

### **Mr. Pramanund Newoor (M.S.K)**



Born in 1958, Mr Pramanund Newoor is actually Advisor to the Minister of Blue Economy, Marine Resources, Fisheries and Shipping.

Mr Newoor was Advisor to the Ministry of Environment, Solid Waste Management and Climate Change (2015 to 2017), Chairperson of Moka Flacq District Council (1992 to 1993) and Secretary of the Mauritius Sanatan Dharma Temples Federation (1997-2005).

He is current Director of M.S.S Multipurpose Cooperative Society Ltd. He has participated in International Conferences on Environment, Local Authorities, Religious and Cultural Matters and has also received recognition for service rendered to the Community.

### **Mr Madhoosoodhun Motah (M.S.K)**



Born in 1957, Mr Madhoosoodhun Motah, recently elevated to the rank of M.S.K, holds a “Diplome en Journalisme de L’Alliance Française”.

A social worker since his teenage, Mr M. Motah has been President of Grand Bois CCS at intervals for some twelve years. Mr Motah has been a cane and tea planter for more than 40 years.

He has been Director on the Board of SIT Land Holdings and SIT Property Development during the years 2016-2019. Mr Motah was also Director on the Board of Cie Sucriere de Riche en Eau and Omnicane Millings Holdings Ltd for the same period. He has attended several workshops and seminars.

### **Mr Jugdutt Rampersad (O.S.K)**



Born in 1947, Mr Jugdutt Rampersad holds a Diploma in Public Administration.

Mr J. Rampersad was the Chief Executive of the Moka-Flacq District Council up to year 2005. He is also Director at the Mauritius Sugar Syndicate, Director of MSS Multipurpose Cooperative Society Ltd and member of the Mauritius Heart Foundation.

Mr Rampersad was President of the Mauritius Cooperative Agricultural Federation from 1998 to 1999 and President of the Mauritius Cooperative Central Bank Ltd in 1990.

### **Mr Kumar Khelawon**



Born in 1952, Mr Kumar Khelawon holds a Diploma in Cooperative Studies both from the University of Mauritius and the Institute of Cooperatives in Moscow. In addition to that he is also the holder of a certificate in banking from the National Institute of Bank Management (Pune).

Mr. K. Khelawon is a retired Civil Servant. He retired as Ag Registrar of Co-operatives in 2012 at the age of 60. During his tenure of office he had had the opportunity to serve as member of the Agricultural Marketing Board for two years. On retirement Mr Khelawon was elected as Director of the Mauritius Cooperative Agricultural Federation Ltd. where he held office as such for three consecutive years. In 2015 Mr Khelawon was nominated as Director of the Rose Belle Sugar Estate Board and in September 2018 he became the Chairperson of the Board until November 2020.

### Mr Sebastien Mamet



Born in 1975, Mr Sebastien Mamet is the holder of a Bachelor of Art in Managerial Statistics, graduated with a 1<sup>st</sup> class (with Honours), from the University of Exeter, England. He is an associate of the Institute of Chartered Accountants in England and Wales.

Mr S. Mamet is currently General Manager of Terragri Ltd (Agriculture).

*Directorship in Listed companies:*

Intendance Holding Ltd, Ivoirel Limitee, Sucrivoire, Swan General Ltd, Swan Life Ltd, , Terra Services Ltd, Terragen Ltd, Terragen Management Ltd, Terra Milling Ltd, Terrarock Ltd.

### Mr. Jean Li Yuen Fong



Born in 1955, Mr Jean Li Yuen Fong was the former Director of the Mauritius Sugar Producers’.

Since January 2016, he is Director of TY Consulting Ltd whose services have been retained by the millers with regard to their representation in the various sugar institutions in Mauritius. He is thus a Board Member of the Mauritius Cane Industry Authority, the Mauritius Sugar Syndicate, Business Mauritius and the Sugar Industry Pension Fund. He is also the Chairperson of the Regional Training Centre and a Director (non-executive) of Capital Horizon Ltd.

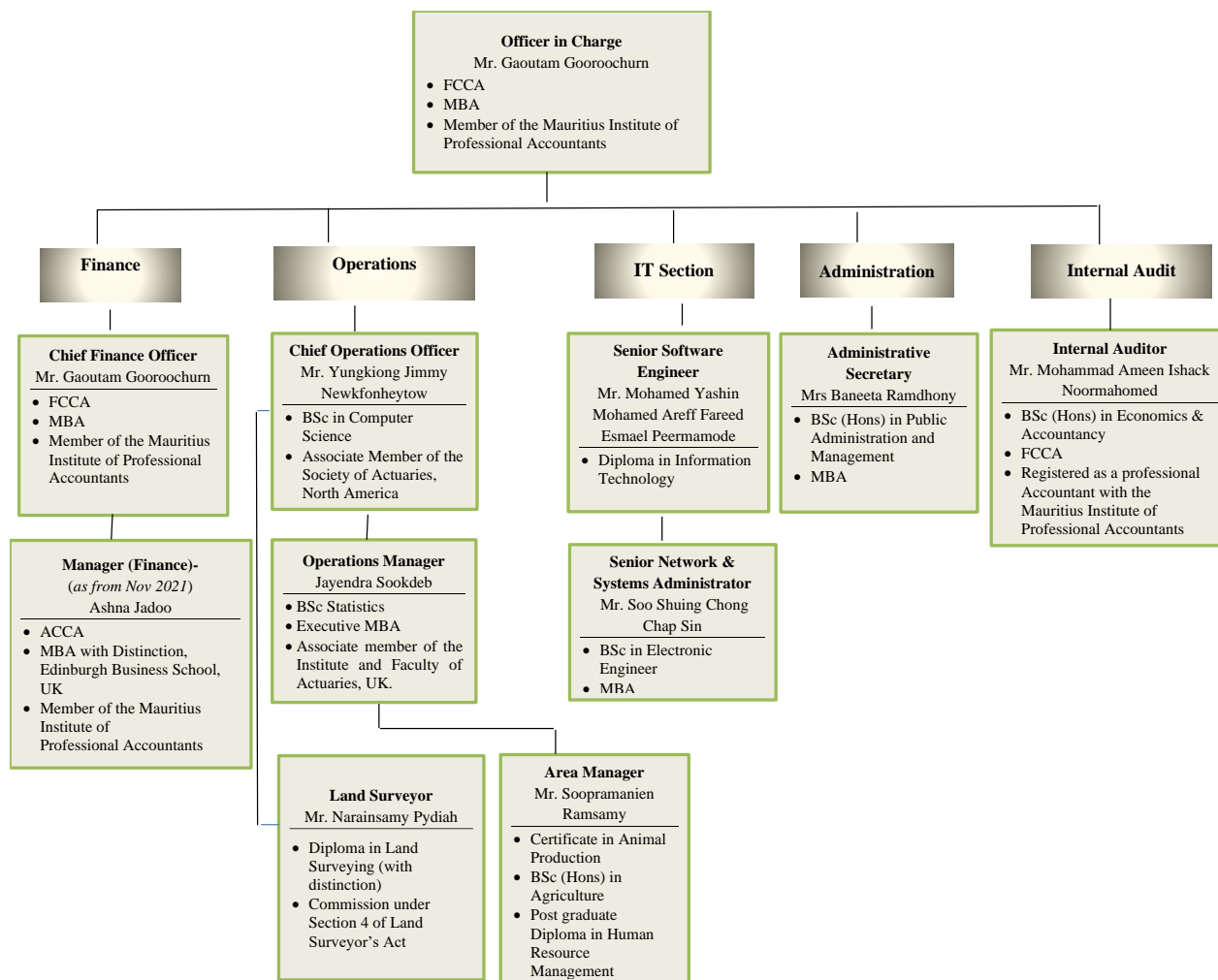
### Mr Satish Purmessur



Born in 1957, Mr S. Purmessur holds a BSc and MSc from the University of Mauritius.

Mr S. Purmessur was previously Director at the Sugar Storage and Handling Unit. He is presently the Chief Executive Officer of the Mauritius Cane Industry Authority.

## Management Team



### Note:

- The Chief Finance Officer has been assigned duties of Officer in Charge as from 29 July 2021, until further notice.*
- The General Manager was on contract in SIFB up to 16 December 2021.*
- The previous Manager Finance retired from the services of SIFB on 1 June 2022.*

### **Principle 3: Directors Appointment Procedures**

Section 5 of the SIF Act refers to appointment of Directors as elaborated in Principle one.

### **Principle 4: Directors Duties, Remuneration and Performance**

The Board of Directors' key purpose is to lead and control the SIFB.

- To approve, monitor, review and evaluate the implementation of strategies, policies and business plans.
- To prepare a statement of corporate objectives.
- To ensure that the organisation complies with the highest standards of governance and that it has an effective system of controls in place so that risks can be properly assessed and managed.
- To ensure that communications of all material information to the stakeholders be made in a transparent manner.

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 Chairperson of each Committee periodically places reports of its proceedings before the Board for approval/information, as may be relevant.

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 unimpeded access to accurate, relevant and timely information.

The Directors acknowledge their responsibilities for:

- a) adequate accounting records and maintenance of effective internal control systems;
- b) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Public Sector Accounting Standards (IPSAS);
- c) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

#### **Duties of Board Members**

Each Board member has the fiduciary duty to -

- a) Exercise a reasonable degree of care, skill and diligence;
- b) act in good faith and in the best interests of the Institution and not for any other purpose;
- c) act honestly at all times and must not place themselves in a situation where personal interests conflict with those of the Institution;
- d) exercise independent judgement at all times;
- e) devote sufficient time to carry out their responsibilities and enhance their skills;
- f) promote and protect the image of the Institution; and
- g) owe the Institution a duty to hold in confidence all information available to them by virtue of their position as a Board member.

Directors' fees are fixed in accordance with section (5) of the SIF Act No 4 of 1974. Details from July 2021 to June 2022 are given below:

	<b>MUR (Gross)</b>
Mr JHEENGUN Chaitanand	840,000.00
Mr BUSGEETH Devendra Nath	300,000.00
Mr GUNPUTH Medha	291,129.00
Mr JEAN LI Yuen Fong	300,000.00
Mr KHELAWON Kumar	300,000.00
Mr MAMET Evenor Jean-Sebastien	300,000.00
Mr MOTAH Madhoosoodhun	300,000.00
Mr NEWOOR Pramanund	300,000.00
Mr PURMESSUR Satish	300,000.00
Mr RAMKELAWON Vikraj	300,000.00
Mr RAMPERSAD Jugduth	300,000.00

### **Assessment and Evaluation of Board Members**

An evaluation of the effectiveness of the Board, its Committees and the Chairperson was conducted internally and the method used to secure information was done through questionnaires. Overall, the Directors were satisfied with the Board, its committees and the Chairperson.

### **Induction of Board members**

Upon appointment, all new Directors receive suitable induction and orientation programme.

Directors on the Board are aware of their fiduciary duties and responsibilities. Directors are given a copy of the SIF Act regarding their statutory duties and responsibilities.

### **Principle 5: Risk Governance and Internal Control**

The Board of SIF is fully responsible for the development and execution of an overall vigorous risk management framework.

The Board has delegated its oversight responsibility to the Audit & Risk Management Committee. Senior Management is responsible for designing a sound risk governance system and implementing it effectively. Senior management works in close collaboration with the Audit & Risk Management Committee.

A Risk Management Policy is being finalised.

## **Principle 6: Reporting with Integrity**

The full set of Annual Report is published on the organisation's website ([www.sifb.mu](http://www.sifb.mu)).

The financial statements of the Fund have been prepared on a going concern basis and in accordance with the Statutory Bodies (Accounts and Audit) Act and in line with International Public Sector Accounting Standards (IPSASs).

## **Principle 7: Audit**

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 unit 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 the Internal Auditor.

The internal auditor helps management in improving organization practice. By reporting to management that important risks have been evaluated and highlighting where improvements are necessary, the internal auditor helps management and the Board to demonstrate that they are managing the organisation effectively on behalf of their stakeholders.

An Internal Audit Standard Operational Procedure Manual has been adopted by the Board in February 2022 and the process of implementation has already started.

The external auditors are responsible for reporting on whether the Financial Statements are fairly presented.

## **Principle 8: Relations with Shareholders and other Key Stakeholders**

The Board of Directors of SIF is fully committed to achieving and sustaining the highest standards of corporate governance with the aim of maximizing long term value for all stakeholders. The Board is committed to attaining high standards of corporate governance and recognizes the importance of good governance to safeguard continual growth, success and to boost stakeholders' confidence.

## **Code of Ethics and Conduct for SIFB Officers and Employees**

The SIFB has updated its code of conduct and ethics for its Officers and Employees in line with the provisions of the code for Public Officers.

## **Equal Opportunity Policy**

In line with the requirements of the Equal Opportunity Act 2008 and good governance practices, the SIFB has established an Equal Opportunity Policy in year 2013 to safeguard employees and prospective recruits against the risks of discrimination and to promote recruitment, selection, training and employment based on merit.

The SIFB is also in conformity to the Training and Employment of Disabled persons Act.

## Complaints Policy

In line with good Corporate Governance, the SIFB formulated a Complaints Policy in 2012 to ensure that complaints and representations from our insureds/stakeholders are dealt with promptly and systematically. Complaints addressed to the SIFB are now handled digitally and their status tracked systematically through a ticket number posted on the Citizen Support Portal if the complaint is channeled directly to the parent Ministry or through the EDMRS of SIFB's Registry if channeled directly to the SIFB.

## Manuals

The (i) Financial Management Manual (FMM) and (ii) Human Resource Management Manual (HRM) will soon be available for implementation.

## Health & Safety

Under Section (5) of the Occupational Safety and Health Act (2005) SIFB has a legal obligation, as an employer, to ensure as far as is reasonably practicable, but not limited to;

- The safety, health and welfare at work of all his employees;
- Provide and maintain;
  - a) a working environment;
  - b) any plant or system of work;
  - c) any place of work under his control, including the means of access to, or egress from it;
  - d) that is safe and without risks to health.

To meet the above objective, the following measures have been taken:-

### ***(i) Accident reporting investigation procedures***

An Accident reporting policy and procedure were adopted in September 2021 to ensure that all work-related injuries and illnesses are reported and appropriately investigated.

### ***(ii) Health and Safety inspection***

Regular safety and health visits have been carried out at the SIFB premises.

All sub-offices have been inspected and further to recommendations from the Safety & Health Officer, necessary measures have been taken.

### ***(iii) Safety and Health induction training***

Training sessions have been organized and delivered in-house by the Safety and Health Officer. The training sessions will continue as per an established calendar depending on the availability of the participants.

### ***(iv) Fire training***

Fire training (theory and practical sessions) has been delivered to 16 staff on 15 December, 2021 by an Officer from the Mauritius Fire and Rescue Services.

To date, there are 16 fire wardens at the SIFB and same will be reviewed as and when required.



(v) ***Risk assessment***

The Risk Assessment has been reviewed and approved in September 2021 and as per law, same will be reviewed in September 2023 or earlier if ever there is any significant change in the matters to which it relates.

(vi) ***Covid-19 Protocol***

The Covid-19 protocol is being reviewed as and when required following communiqué from the Ministry of Health and Wellness.

### **Corruption Risk Assessment**

On 17 November 2021, a meeting was held in the premises of the Agricultural Services, Réduit, with regard to:

- (i) the setting up of Anti-Corruption Committee (ACC) by Parastatal Bodies following Circular from The Ministry of Public Service, Administrative and Institutional Reforms dated 3rd September 2021, and
- (ii) identifying Corruption Risk Assessments (CRAs) for Parastatals for financial year 2021/2022.

The SIFB was represented by its Chairman of its Anti-Corruption Committee, Mr. Peermamode. Henceforth, the Internal Auditor is a member of SIFB ACC which comprises also amongst others of a Senior Corruption Prevention Officer as ex-officio member.

Two CRAs have to be conducted each year for subsequent submission to the parent Ministry. The “Procurement” and “Information Technology” sections were assessed for corruption risks in February and March 2022 respectively.

In June 2022, the Corruption Prevention and Education Division of the ICAC conducted a Corruption Prevention Review on the system and procedures in relation to clearances provided by the SIFB for land conversion.

An Anti-Corruption Policy approved by the Board in 26 February 2015 is published on the website of the Fund.

### **Conflict of Interest**

The SIFB will soon be adopting a Conflicts of Interest & Related Party Transactions Policy.

The Policy provides the framework for the SIFB to effectively identify, evaluate, disclose and manage potential, actual or perceived conflict of interest as well as related party transactions which may arise in relation to the activities of the Institution. The personal interests of a Director must not take precedence over those of the Institution and its stakeholders. Any Director appointed on the Board of the Sugar Insurance Fund should recognise that their duty and responsibility as a Director is always to act in the best interests of the Institution.

Directors should disclose any interest that they have including related party transactions to the Board. An Interest Register is maintained by the Board Secretary and is updated as and when required.

### **Industrial Relations**

The Procedural agreement has been signed with the Union of Employees of the Sugar Insurance Fund (UESIF) in accordance with the Employment Relations Act.

## Human Resource

As at 30 June 2022, the SIFB had a workforce of 102 staff (69 male and 33 female).

For the period under review, there had been 8 retirement and 6 new recruits.

An HR Audit report is being finalized. One of the scopes of works of the audit exercise is to carry out a deeper study of one of the areas of intervention in the HR Audit exercise as regards to the Organizational structure analysis.

## Political and Charitable Donations

During the period under review, no political and charitable donations were made.

## Related Party Transactions & Key Risks

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

## Professional Services



**BLC Robert & Associates Ltd**  
**Benoit Chambers**  
**State Law Office**



**National Audit Office**



## STATEMENT OF COMPLIANCE

WITH THE CODE OF CORPORATE GOVERNANCE UNDER SECTION 75(3)

OF THE FINANCIAL REPORTING ACT

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

Reporting Period: **1 July 2021 to 30 June 2022**

Throughout the year ended 30 June 2022, to the best of the Board's knowledge, the Sugar Insurance Fund Board has applied most of the recommendations of the Code and measures will be taken, during the next financial year to address the part which has not been complied with as per disclosure in the Corporate Governance Report:

### Principle 1:

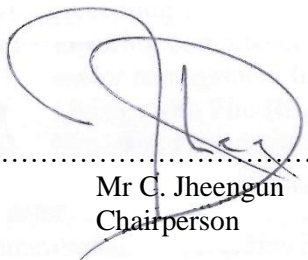
➤ **Corporate Objectives Statement**

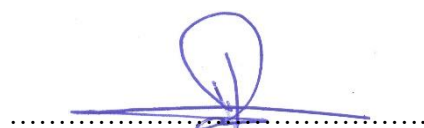
Management will be developing a Corporate Objectives Statement which will ultimately be approved by the Board.

SIGNED BY:

Chairperson and one Director

Names:

  
Mr C. Jheengun  
Chairperson

  
Mr V. Ramkelawon  
Director

## ADDRESS OF OFFICES



<p><b>Head Office</b>  <b>18 Sir Seewoosagur Ramgoolam Street</b>  <b>Port Louis</b>  <b>Tel: 260 4700</b>  <b>Fax: 208-2634</b>  <b>E-Mail: <a href="mailto:sifb@sifbmu.org">sifb@sifbmu.org</a></b>  <b>Website: <a href="http://www.sifb.mu">www.sifb.mu</a></b></p>		
<b>Sub-Offices / Outlets</b> (open on Wednesdays only except Public Holiday)	<b>Address</b>	<b>Factory Areas</b>
<b>Bon Accueil</b>	FSC Building Royal Road Bon Accueil Tel: 418-1967	Constance Fuel
<b>Union Park</b>	FSC Building Union Park Tel: 677-2293	Savannah Mon Trésor Riche En Eau Rose Belle Union St Aubin Britannia St Félix Bel Ombre
<b>Riviere du Rempart</b>	FSC Building Behind Bus Terminal Riviere du Rempart Tel: 409 0490	Mon Loisir Belle Vue St Antoine Beau Plan
<b>St Pierre</b>	FSC Building Royal Road St Pierre Tel: 433-5146	Médine Highlands Mon Désert Alma Réunion
<b>Beau Champ</b>	FSC Building Royal Road Deep River Beau Champ Tel: 417 8884	Beau Champ

## FINANCIAL PERFORMANCE

The Financial Year under review shows a total surplus of MUR 403.40M (General and Fire) compared to a net deficit of MUR 58.48M for the year ending 30 June 2021. This is mainly attributable to Crop 2021, reported in this financial year ended 30 June 2022; being a non-event year under general insurance as opposed to crop year 2020 reported in the previous financial year ended 30 June 2021, which was declared as an event year.

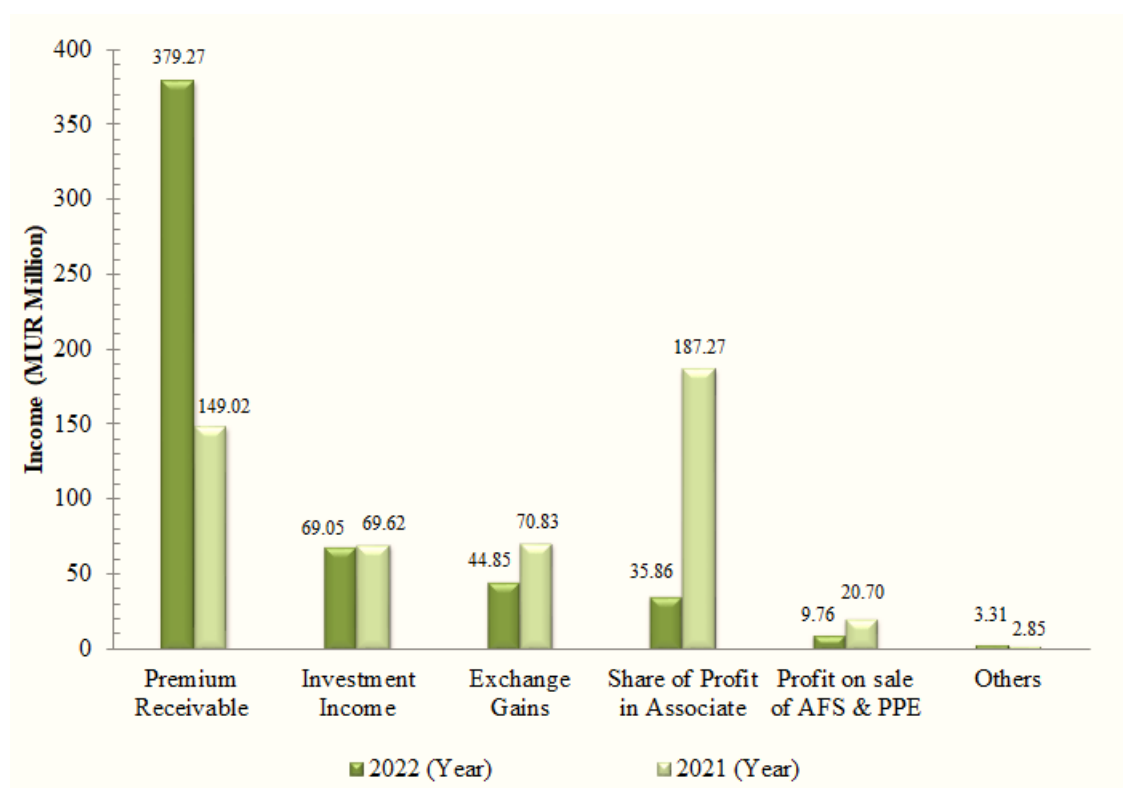
### *Summary of Income and Expenditure*

Item	General Fund MUR Million	Fire Fund MUR Million	Total MUR Million
Gross Insurance Premium	369.70	9.57	379.27
Insurance compensation payable	-	(5.74)	(5.74)
	<b>369.70</b>	<b>3.83</b>	<b>373.53</b>
Other Expenses	(132.94)	(0.29)	(133.23)
Other Income	163.07	0.03	163.10
Net Surplus / (Deficit)	<b>399.83</b>	<b>3.57</b>	<b>403.40</b>

### Income

Insurance premium received, investment income, share of surplus of Associate, fair value gains and profit on sale of securities form the bulk of the Fund's income amounting to some MUR 542M for the year under review.

*The composition of income is shown below:*



## Insurance Premium

Gross Insurance Premium (General and Fire) for crop year 2021 received during this Financial Year amounted to MUR 379.27M (based on new insurance terms effective as from crop 2021) compared to MUR 149.02M for the previous crop year 2020.

### *Summary of Premium Income*

Premium (Gross)	Total MUR Million
General	369.70
Fire	9.57
<b>Total</b>	<b>379.27</b>

## Investment Income

Investment income (Interest and Dividend) totaling MUR 69.05M for the year under review is down by only 0.82% compared to the previous reporting period (MUR 69.62M), despite the fact that disinvestments were made from interest yielding instruments for some MUR 427.76M (representing 9.2% of the Funds Total Assets) at the start of the financial year (July 2021) for disbursement of crop 2020 general insurance compensation accrued in the previous financial year 2020/2021.

## Expenditure

The overall expenditure of the Fund for this financial year was MUR 138.69M compared to MUR 558.78M for the previous financial year. The lower expenditure is mainly attributable to crop 2021 being a non-event year under general insurance coupled with lower compensation paid under the Fire Insurance.



## Accumulated Fund

The Accumulated Fund comprising of the General Fund and the Fire Fund progressed by 9.07% during the year from MUR 3,139.4M to MUR 3,424.1M.

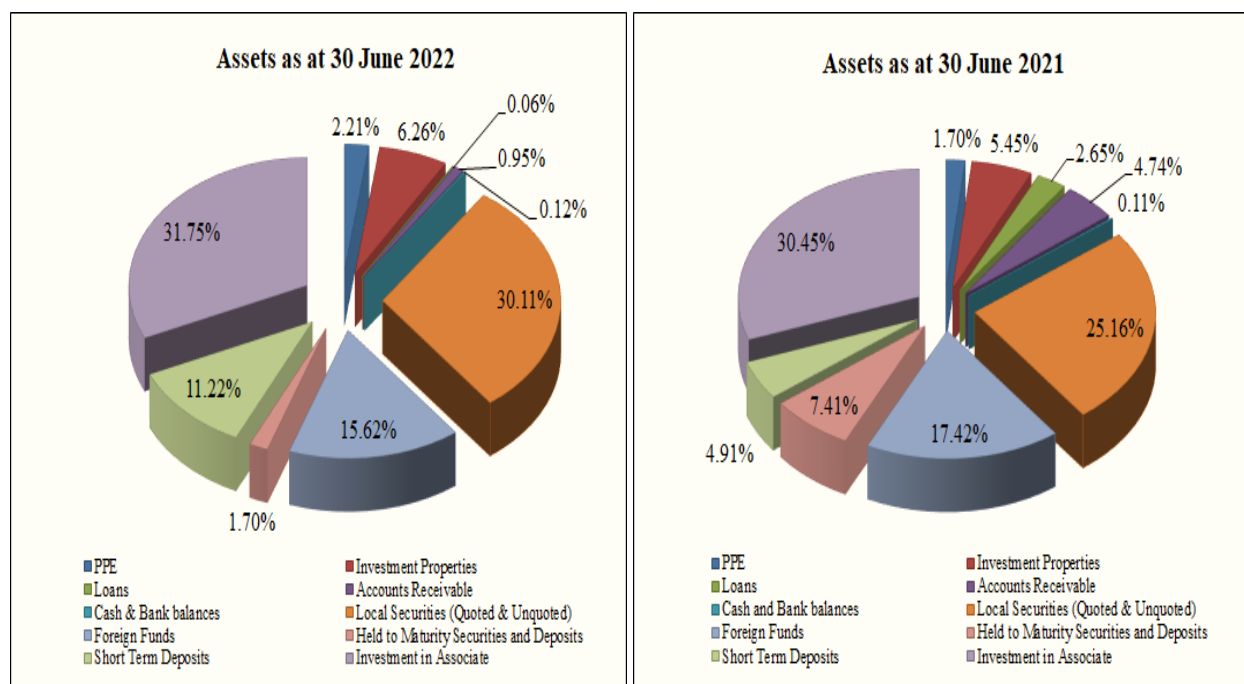
### Breakdown of Accumulated Fund

Fund	MUR Million At 30 June 2022	MUR Million At 30 June 2021
General	3,418.6	3,137.3
Fire	5.6	2.1
Total	3,424.2	3,139.4

## Assets under management

The Fund's total assets under management decreased by MUR 193.98 M from MUR 4.84 Billion to MUR 4.65 Billion at 30 June 2022. This is mainly attributable to disinvestments made for financing the crop 2020 general insurance compensation (MUR 427.76M) and past service funding of the Defined Benefit Pension Plan (MUR 100M).

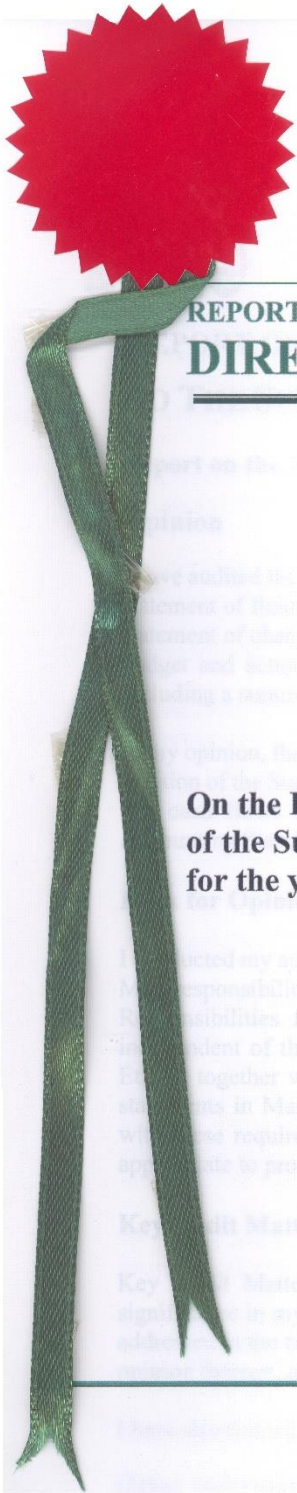
A breakdown of total assets under management is shown below:







# Report of the Director of Audit



NATIONAL AUDIT OFFICE

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**REPORT OF THE  
DIRECTOR OF AUDIT**

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**On the Financial Statements  
of the Sugar Insurance Fund Board  
for the year ended 30 June 2022**

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**NATIONAL AUDIT OFFICE**

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# NATIONAL AUDIT OFFICE

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

### Report on the Audit of the Financial Statements

#### Opinion

I have audited the financial statements of the Sugar Insurance Fund Board, which comprise the statement of financial position as at 30 June 2022 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Sugar Insurance Fund Board as at 30 June 2022, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

#### Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions. My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Sugar Insurance Fund Board in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined that there are no key audit matters to communicate in my report.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Sugar Insurance Fund Board, but does not include the financial statements and my auditor's report thereon.

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14<sup>th</sup> Floor, Air Mauritius Centre, John Kennedy Street, Port Louis – Mauritius  
Tel: 212 2096-97/ 211 0882 – Fax: (230) 211 0880

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Sugar Insurance Fund Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Sugar Insurance Fund Board's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Sugar Insurance Fund Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sugar Insurance Fund Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Sugar Insurance Fund Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

### ***Management's Responsibilities for Compliance***

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Sugar Insurance Fund Board's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

### ***Auditor's Responsibilities***

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;

- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the Sugar Insurance Fund Board has been applying its resources and carrying out its operations economically, efficiently and effectively; and
- (e) the Sugar Insurance Fund Board has complied with the National Code of Corporate Governance in accordance with the Financial Reporting Act.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

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

***Statutory Bodies (Accounts and Audit) Act***

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

As far as it could be ascertained from my examination of the relevant records:

- (a) the Sugar Insurance Fund Board has complied with the Statutory Bodies (Accounts and Audit) Act; and
- (b) no direction relating to the accounts has been issued by the responsible Minister to Sugar Insurance Fund Board.

Based on my examination of the records of Sugar Insurance Fund Board, nothing has come to my attention that causes me to believe that:

- (a) expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (b) the Fund has not applied its resources and carried out its operations economically, efficiently and effectively.

***Financial Reporting Act***

My responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From my assessment of the disclosures made on corporate governance in the annual report, the Sugar Insurance Fund Board has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.



**C. ROMOOAH**  
Director of Audit

National Audit Office  
Level 14,  
Air Mauritius Centre  
PORT LOUIS

26 April 2023



**SIFB**

**Financial  
Statements**

**For the year  
ended**

**30 June 2022**

**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2022

ASSETS	Notes	30 June 2022 MUR	30 June 2021 MUR
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	526,950,121	243,155,530
Receivables	5	44,088,962	229,547,901
Short term loans	6	-	125,142,082
Investments in securities and deposits	7	380,167	348,830,295
		<u>571,419,250</u>	<u>946,675,808</u>
<b>NON-CURRENT ASSETS</b>			
<b>Investments in securities and deposits</b>	7	2,206,240,029	2,073,439,386
Investment property	8	291,000,000	264,000,000
Long term loans	9	2,873,559	3,265,626
<b>Investment in Associate</b>	10	1,476,950,042	1,475,645,312
<b>Property, plant and equipment</b>	11	101,255,578	80,722,697
<b>Intangible Assets</b>	12	1,471,607	1,440,513
		<u>4,079,790,815</u>	<u>3,898,513,534</u>
<b>TOTAL ASSETS</b>		<u>4,651,210,065</u>	<u>4,845,189,342</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	13	30,476,687	468,820,217
Short Term employee benefits	14	8,998,109	5,082,395
		<u>39,474,796</u>	<u>473,902,612</u>
<b>NON-CURRENT LIABILITIES</b>			
	15	3,155,343	5,490,332
Provision for staff passage benefits	14	36,983,622	38,543,607
Long term employees benefits	16	441,556,921	410,539,405
Retirement benefit obligations		<u>481,695,886</u>	<u>454,573,344</u>
<b>TOTAL LIABILITIES</b>		<u>521,170,682</u>	<u>928,475,956</u>
<b>NET ASSETS</b>		<u>4,130,039,383</u>	<u>3,916,713,386</u>
<b>NET ASSETS / EQUITY</b>			
Revaluation reserves		705,854,616	777,298,346
Accumulated funds	17	3,424,184,767	3,139,415,040
<b>TOTAL NET ASSETS / EQUITY</b>		<u>4,130,039,383</u>	<u>3,916,713,386</u>

Notes 1 to 35 form an integral part of these Financial Statements. The Financial Statements were approved by the Board on 26 September 2022.

.....  
Chairperson

.....  
Director



**STATEMENT OF FINANCIAL PERFORMANCE**  
**for the year ended 30 June 2022**

	Notes	Year ended 30 June 2022 MUR	Year ended 30 June 2021 MUR
<b>GENERAL INSURANCE ACCOUNT</b>			
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>			
Insurance premium	18	<b>369,702,013</b>	140,501,896
Investment income	19	<b>69,009,695</b>	69,569,490
	20	<b>9,757,078</b>	20,697,825
Profit on sale of Securities			
Fair value and Other gains	21(a)	<b>44,848,293</b>	70,832,400
Other Revenue	22	<b>3,594,205</b>	3,107,143
<b>TOTAL REVENUE</b>		<b>496,911,284</b>	304,708,754
<b>EXPENSES</b>			
General Insurance Compensation	23	-	427,763,146
Administrative	24	<b>132,937,622</b>	111,365,624
Exchange and other losses	21(b)	<b>7,261</b>	10,636,796
		<b>132,944,883</b>	549,765,566
<b>TOTAL EXPENSES</b>			
Share of surplus of Associate	10	<b>35,864,600</b>	187,274,400
<b>Surplus/ (Deficit) to General Fund for the year</b>		<b>399,831,001</b>	(57,782,412)
<b>FIRE INSURANCE ACCOUNT</b>			
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>			
Insurance premium		<b>9,568,228</b>	8,516,918
Investment Income	19	<b>36,476</b>	50,785
<b>TOTAL REVENUE</b>		<b>9,604,704</b>	8,567,703
<b>EXPENSES</b>			
Insurance compensation		<b>5,744,166</b>	9,010,755
<b>Management fee to General Fund</b>		<b>287,047</b>	255,508
<b>TOTAL EXPENSES</b>		<b>6,031,213</b>	9,266,263
Surplus/ (Deficit) to Fire Fund for the year		<b>3,573,491</b>	(698,560)
<b>Total Surplus / (Deficit) for the year</b>		<b>403,404,492</b>	(58,480,972)

**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
**for the year ended 30 June 2022**

	<u>Accumulated Funds</u>		<u>Revaluation Reserves</u>		<u>Total</u> MUR
	<u>General Fund</u>	<u>Fire Fund</u>	<u>Property</u>	<u>Investments</u>	
	MUR	MUR	MUR	MUR	
At 30 June 2019	<u>3,064,112,331</u>	<u>5,975,206</u>	<u>50,989,447</u>	<u>375,590,273</u>	<u>3,496,667,256</u>
Release on disposal of available-for-sale financial assets	-	-	-	(5,443,005)	(5,443,005)
Change in value of available-for-sale financial assets	-	-	-	65,910,551	65,910,551
Re-measurement of Defined Benefit Obligations	700,859	-	-	-	700,859
Share of Associate not reported in surplus	-	-	-	(20,565,000)	(20,565,000)
Effect of application of IFRS 16 by Associate	8,532,000	-	-	-	8,532,000
Net Surplus / (Deficit) for the year	<u>251,597,178</u>	<u>(3,207,486)</u>	<u>-</u>	<u>-</u>	<u>248,389,692</u>
At 30 June 2020	<u>3,324,942,368</u>	<u>2,767,720</u>	<u>50,989,447</u>	<u>415,492,818</u>	<u>3,794,192,353</u>
Release on disposal of available-for-sale financial assets	-	-	-	(23,732,612)	(23,732,612)
Change in value of available-for-sale financial assets	-	-	-	302,184,493	302,184,493
Re-measurement of Defined Benefit Obligations	(129,814,076)	-	-	-	(129,814,076)
Share of Associate not reported in surplus	-	-	-	32,364,200	32,364,200
Net Deficit for the year	<u>(57,782,412)</u>	<u>(698,560)</u>	<u>-</u>	<u>-</u>	<u>(58,480,972)</u>
At 30 June 2021	<u>3,137,345,880</u>	<u>2,069,160</u>	<u>50,989,447</u>	<u>726,308,899</u>	<u>3,916,713,386</u>
Gains on revaluation gains on Land and Building	-	-	20,230,769	-	20,230,769
Release on disposal of available-for-sale financial assets	-	-	-	(7,274,752)	(7,274,752)
Change in value of available-for-sale financial assets	-	-	-	(77,078,748)	(77,078,748)
Re-measurement of Defined Benefit Obligations	(118,634,765)	-	-	-	(118,634,765)
Share of Associate not reported in surplus	-	-	-	(7,321,000)	(7,321,000)
Net Surplus for the year	<u>399,831,001</u>	<u>3,573,491</u>	<u>-</u>	<u>-</u>	<u>403,404,492</u>
<b>At 30 June 2022</b>	<b><u>3,418,542,116</u></b>	<b><u>5,642,651</u></b>	<b><u>71,220,216</u></b>	<b><u>634,634,400</u></b>	<b><u>4,130,039,383</u></b>

## CASH FLOW STATEMENT

### for the year ended 30 June 2022

	Note	Year ended 30 June 2022 MUR	Year ended 30 June 2021 MUR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Surplus / (Deficit) for the year		403,404,492	(58,480,972)
Adjustments for:			
Share of profit of Associate		(35,864,600)	(187,274,400)
Provision for passage benefits		2,538,971	3,026,140
Payment of passage benefits		(3,873,960)	(1,965,584)
Depreciation of non-current assets		3,920,787	3,854,141
Amortisation of Intangible Assets		351,781	428,356
Investment income		(69,046,172)	(69,620,275)
Loss on disposal of PPE		5,800	-
Reversal of impairment loss		-	(40,000,000)
Gain on disposal of Available-for-sale securities		(9,757,078)	(20,697,825)
Gain Loss on revaluation of Investment Properties		(27,000,000)	(15,000,000)
Gain on change in accounting estimates		(2,816,380)	(4,288,859)
(Gain) / Loss on valuation of investments		(9,790,238)	8,126,796
Effects of exchange rate changes on cash & cash equivalents held		(5,241,674)	(9,033,541)
Retirement benefits charged		12,382,752	5,629,745
Provision for employees benefits		9,893,854	997,400
Employees benefits paid		(7,421,884)	(5,042,913)
Special contribution into staff pension fund		(100,000,000)	-
Decrease / (Increase) in trade and other receivables		89,394,983	(2,101,025)
(Decrease) / Increase in trade and other payables		(439,459,772)	438,418,050
<b>NET CASH (USED) / GENERATED BY OPERATING ACTIVITIES</b>		<b>(188,378,337)</b>	<b>46,975,234</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment to acquire financial assets		(350,087,394)	(555,477,901)
Proceeds from sale of financial assets		499,521,274	355,911,514
Dividend received		51,213,456	37,718,149
Interest received		52,265,170	55,406,246
Payment for property, plant and equipment		(1,847,394)	(794,985)
Proceeds from disposal of PPE		52,200	-
<b>NET CASH GENERATED / (USED) BY INVESTING ACTIVITIES</b>		<b>251,117,311</b>	<b>(107,236,977)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term loans granted		(322,423,556)	(125,142,082)
Proceeds from short term loans		447,565,638	-
Long term loans granted		(2,027,055)	(1,120,500)
Proceeds from long term loans		92,698,915	154,418,394
<b>NET CASH GENERATED BY FINANCING ACTIVITIES</b>		<b>215,813,942</b>	<b>28,155,812</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>278,552,917</b>	<b>(32,105,932)</b>
<b>Cash and Cash Equivalents at start of period</b>		<b>243,155,530</b>	<b>266,227,921</b>
Effects of exchange rate changes on cash & cash equivalents held		5,241,674	9,033,541
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	26	<b>526,950,121</b>	<b>243,155,530</b>
<b>REPRESENTED BY:</b>			
<b>Bank and cash balances</b>		<b>5,249,402</b>	<b>5,468,939</b>
<b>Short Term deposits</b>		<b>521,700,719</b>	<b>237,686,591</b>
		<b>526,950,121</b>	<b>243,155,530</b>

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**for the year ended 30 June 2022**

	Note	Original/ Final Budget MUR	Actual Amount MUR	Variance MUR
<b>GENERAL INSURANCE ACCOUNT</b>				
<b>REVENUE</b>				
Insurance premium	27(i)	145,000,000	369,702,013	224,702,013
Interest Receivable	27(ii)	35,000,000	45,030,537	10,030,537
Dividend Income	27(iii)	40,000,000	24,015,634	(15,984,366)
	27(iv)		9,757,078	9,757,078
Profit on sale of Securities		-		
Share of profit of Associate	27(v)	-	35,864,600	35,864,600
	27(vi)		44,848,293	44,848,293
Fair value and other gains		-		
Other Revenue		2,557,000	3,307,158	750,158
<b>TOTAL REVENUE</b>		<b>222,557,000</b>	<b>532,525,313</b>	
<b>EXPENSES</b>				
Administrative and other Expenses	27(vii)	110,320,000	132,937,622	22,617,622
Other Losses		-	7,261	7,261
<b>TOTAL EXPENSES</b>		<b>110,320,000</b>	<b>132,944,883</b>	
<b>Surplus to General Fund for the year</b>		<b>112,237,000</b>	<b>399,580,430</b>	
<b>FIRE INSURANCE ACCOUNT</b>				
<b>REVENUE</b>				
<b>Insurance premium</b>		8,000,000	9,568,228	1,568,228
<b>TOTAL REVENUE</b>		<b>8,000,000</b>	<b>9,568,228</b>	
<b>EXPENSES</b>				
Insurance compensation	27(viii)	8,000,000	5,744,166	(2,255,834)
<b>TOTAL EXPENSES</b>		<b>8,000,000</b>	<b>5,744,166</b>	
Surplus to Fire Fund for the year		-	3,824,062	
<b>Total Surplus for the year</b>		<b>112,237,000</b>	<b>403,404,492</b>	

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

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2022

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### 1. GENERAL

#### *Legal form and main objective*

The Sugar Insurance Fund Board (“the Fund”) is a statutory body established under the Sugar Insurance Fund Act No 4 of 1974 (as subsequently amended). Its registered office is situated at 18, Sir Seewoosagur Ramgoolam Street, Port-Louis, Mauritius and operates under the aegis of the Ministry of Agro Industry and Food Security. Its main objective is to operate a Crop Insurance for sugar producers.

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

#### 2.1 Basis of preparation

The financial statements of the Sugar Insurance Fund Board have been prepared on a going concern basis and in accordance with the Statutory Bodies (Accounts and Audit) Act and in line with International Public Sector Accounting Standards (IPSASs). As per IPSAS 1 paragraph 38, the Fund’s ability to continue as a going concern has been positively assessed. The comparative figures for the previous reporting period were also prepared in compliance with IPSASs and are therefore fully comparable.

The financial statements comply with all IPSASs in issue at end of reporting date and have been consolidated to include the state of affairs and results of the Fund’s associate and are prepared under the historical cost convention, except that:

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

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

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

#### 2.2 New and Revised International Public Sector Accounting Standards (IPSASs).

##### 2.2.1 Standards, Amendments to published Standards issued but not yet effective

###### *IPSAS 41 – Financial Instruments.*

This standard was issued in August 2018 and will be effective for annual periods starting on or after 1 January 2023 (COVID 19 Deferral of effective dates – issued in November 2020). The standard sets out requirements for classifying, recognising and measuring financial instruments including impairment, de-recognition and general hedge accounting to replace those in IPSAS 29. The Fund has not applied this standard prospectively.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.2 New and Revised International Public Sector Accounting Standards (IPSASs) (cont'd).

##### 2.2.1 Standards, Amendments to published Standards issued but not yet effective (cont'd).

###### *IPSAS 42 – Social Benefits.*

This standard was issued in January 2019 and will be effective for annual periods starting on or after 1 January 2023 (COVID 19 Deferral of effective dates – issued in November 2020). IPSAS 42 defines social benefits and includes requirements for the recognition and measurement of social benefits Schemes. It also includes disclosure requirements that will provide additional information that users may need to evaluate the effect of social benefits. The Fund has not applied this standard prospectively.

###### *IPSAS 43– Leases.*

This standard was issued in January 2022 and will be effective for annual periods starting on or after 1 January 2025, with earlier application permitted. IPSAS 43 sets out new standards for the recognition, measurement, presentation and disclosure requirements for leases to replace IPSAS 13, where a Lessee will require to recognise assets and liabilities related to the rights and obligations created by leases rather than to classify the leases as finance or operating leases. The Fund has not applied this standard prospectively.

###### *IPSAS 44– Non-current Assets Held for Sale and Discontinued Operations.*

This standard was issued in May 2022 and will be effective for annual periods starting on or after 1 January 2025, with earlier application permitted. The purpose of IPSAS 44 is to provide the accounting for assets held for sale and the presentation and disclosure requirements of discontinued operations in view to increase transparency, enhance consistency and comparability among public sector entities related to the sale of public sector assets, amongst others. The Fund has not applied this standard prospectively.

##### 2.2.2 New and Revised IPSASs applicable to the Fund

In the current period, no new IPSAS issued by the International Public Sector Accounting Standards Boards (IPSASB) that are mandatorily effective for an accounting period beginning on or after 1 July 2021 is applicable to the Fund.

#### 2.3 Existing IPSASs not applicable to the Fund

The following Standards already effective since prior financial years are not applicable to the Fund's operations.

IPSAS 6 – Consolidated and Separate Financial Statements  
IPSAS 10 – Financial reporting in Hyperinflationary Economies  
IPSAS 12 – Inventories  
IPSAS 18 – Segment Reporting  
IPSAS 22 – Disclosure of Financial Information about the General Government Sector  
IPSAS 27 – Agriculture  
IPSAS 32 – Service Concession Arrangements: Grantor  
IPSAS 34 – Separate Financial Statements  
IPSAS 37 – Joint arrangements  
IPSAS 40 – Public Sector Combinations

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.4 Basis of consolidation

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

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

#### 2.5 Revenue recognition

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

##### *General Insurance Premium Income Account*

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

##### *Fire Insurance Premium Income Account*

Insurance premium income contributed to the Fire Insurance Account is determined at the rates prescribed in the fifth schedule of the Sugar Insurance Fund Act No 4 of 1974 (as subsequently amended) for the different categories of insureds.

The Fire Insurance Premium Structure incorporates a No Claims Discount Structure with 2 levels of premium discount of 20% and 40% in the base rates as well as two additional levels of premium penalty of 20% and 40% penalty in the base rates for the different categories of planters and metayers.

##### *Other revenues*

These are recognised on the following basis:

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

Interest income is recognised on an accrual basis.

A share of 20% of the after tax adjusted profit of SICOM Ltd (Associate) is recognised at each reporting.

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

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

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.6 Insurance contracts

##### (a) Recognition and measurement

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

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

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

##### (b) Liability adequacy test

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

#### 2.7 Property, plant and equipment

Property, plant and equipment excluding land and building held for administrative purposes are stated in the statement of financial position at cost, net of accumulated depreciation and any accumulated impairment losses. Land and building are reported at their revalued amounts. 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	<i>Note</i>
Improvement to land and buildings	10%	(i)
Furniture & other equipment	6.67% (15 years)	(ii)
Motor vehicles	20%	
Computer equipment and software	20%	

- (i) 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.
- (ii) 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.

Property, plant and equipment with zero NBV at year end (fully depreciated) from which the Fund continues to derive economic benefits have their useful economic life (UEL) increased by an additional 5 years and the applicable depreciation rates are as follows:

Improvement to land and buildings	6.67% (15 years)
Furniture & other equipment	5%
Motor vehicles	10%
Computer equipment and software	10%

The resulting gains on the change in accounting estimates are recognised in line with IPSAS3.

Consumption experience shows that after adjusting the UEL of certain items of PPE, their NBV still remains at zero, while such items are still in use. The Fund thus reports these items at a nominal value of 10% of their original cost. Such items are **not** subject to annual depreciation and are derecognised at disposal.



## **NOTES TO THE FINANCIAL STATEMENTS**

### **for the year ended 30 June 2022**

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## **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

### **2.7 Property, plant and equipment (cont'd).**

Gain 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.

Any increase arising on the revaluation of land and buildings is credited directly to revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in surplus or deficit, in which case the increase is credited to surplus or deficit 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 surplus or deficit to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Freehold land is not depreciated.

### **2.8 Intangible Assets acquired**

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

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

### **2.9 Impairment of tangible and intangible assets**

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of 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.

### **2.10 Investment property**

Investment property which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value at end of reporting period, representing open-market value determined by external valuers. Gains and losses arising from changes in the fair value of investment property are included in surplus or deficit in the period in which they arise.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.11 Non-current Asset held for sale

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

#### 2.12 Insurance compensation

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

#### 2.13 Foreign currencies

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

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in such currencies are retranslated in Mauritian Rupees using the rate of exchange (buying rate) ruling at the end of reporting period, such rate being determined as the highest buying rate available from the Fund's main bankers and the Bank of Mauritius. Gains and losses arising on exchange are included in the surplus or deficit for the year. Translation of non monetary items, such as equities classified as available-for-sale financial assets is accumulated in the investments revaluation reserve.

#### 2.14 Cash and cash equivalents

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

#### 2.15 Provision/Contingent Liabilities

##### (a) Provision

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

##### (b) Contingent Liabilities

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

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.15 Provision/Contingent Liabilities (cont'd).

##### (b) Contingent Liabilities (cont'd)

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

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

#### 2.16 Retirement benefit obligations

##### (i) State Plan

Contributions to the National Pension Scheme are expensed to surplus or deficit in the period in which they fall due.

##### (ii) Defined Contribution Plan

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

##### (iii) Defined Benefit Plan

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

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

#### 2.17 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Fund has become party to the contractual provisions of the financial instruments. Financial Assets are initially measured at fair value, plus transaction costs. Financial assets are classified into the following specified categories: "held-to-maturity" investments, "available-for-sale" financial assets and "Loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.17 Financial instruments (cont'd)

##### a) *Financial Assets*

###### (i) *Held-to-maturity investments*

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

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

###### (ii) *Loans and receivables*

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

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

###### *Quoted AFS Financial Assets*

Listed and Quoted Securities that are traded in an active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in fair value are accumulated in the investments revaluation reserve until the security is disposed of or is determined to be impaired at which time the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to surplus or deficit. Impairment losses recognised in surplus or deficit for securities classified as AFS is not subsequently reversed through surplus or deficit.

###### *Unquoted Available For Sale Investments*

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

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

##### ***Impairment of financial assets***

Financial assets are assessed for indicators of impairment at each end of reporting period.

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

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

For all other financial assets evidence of impairment could include:

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

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.17 Financial instruments (cont'd)

##### a) *Financial Assets (cont'd)*

###### *Impairment of financial assets (cont'd)*

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through surplus or deficit to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of AFS equity securities, impairment losses previously recognised through surplus or deficit are not reversed through surplus or deficit. Any increase in fair value subsequent to an impairment loss is recognised net assets/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 asset and substantially all the risks and rewards of ownership of the asset to another entity.

##### (b) *Financial liabilities*

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

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

###### *Derecognition of financial liabilities*

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

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022

#### 3. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

#### 4. CASH AND CASH EQUIVALENT

	June 2022 MUR	June 2021 MUR
Foreign Currency deposits with banks:		
USD	137,047,442	93,608,108
EURO	33,328,665	19,276,218
GBP	88,296	93,984
Deposits on call at banks – MUR	351,236,316	124,708,281
Bank and Cash Balances - MUR	5,249,402	5,468,939
	<b>526,950,121</b>	<b>243,155,530</b>

#### 5. ACCOUNTS RECEIVABLE/ PREPAYMENTS

SBM Perpetual Fund disposed	-	125,000,000
Long term loan to MSS	-	90,000,000
Motor Vehicle Loans (Note 9 (ii))	1,158,929	1,234,392
Personal loans (Note 9(i))	414,113	618,445
Interest receivable	1,965,368	7,790,578
Debtors insurance premium receivable	37,931,366	2,448,216
Dividends receivable	1,388,315	1,347,266
Other receivables/Prepayments	1,230,871	1,109,004
	<b>44,088,962</b>	<b>229,547,901</b>

#### 6. SHORT TERM LOANS

Loans to Mauritius Sugar Syndicate - (MSS)	-	125,142,082
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#### 7. INVESTMENTS IN SECURITIES AND DEPOSITS

##### (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 at the end of reporting period.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**7. INVESTMENTS IN SECURITIES AND DEPOSITS (CONT'D)**

**(a) Available-For-Sale Securities and Deposits (cont'd)**

*Local Unquoted*

Local unquoted investments comprise of shares and bonds held in Sugar Investment Trust (SIT), units of the MFL Fund, shares held in Afrasia Bank, investments in the MCB cash management Fund, Swan Income Fund, MCB Bond and Currency Fund and the SBM Perpetual Fund. Investment in SIT shares have been fair valued at MUR 4.94M at 30 June 2022. Investments in The MFL Fund, which is an open-ended Fund, are stated at market value at MUR 1.55M at 30 June 2022, Shares in Afrasia Bank valued at MUR 1.63M, the MCB cash management Fund valued at MUR 43.30M, Swan Income Fund valued at 33.59M, MCB Bond and currency Fund valued at MUR 33.59M and the SBM Perpetual Fund valued at MUR 444.48M at 30 June 2022.

*Foreign Equities /Funds /Bonds*

Investments in foreign equities/ funds/ bonds, include shares held in African Reinsurance Corporation (Africa Re), Investec GSF, Comgest, Threadneedle, Sarasin, BlackRock Global, Shroders, GAM, UBS, Fidelity, Franklin Templeton, Morgan Stanley Funds, IOST Perpetual Bonds, India Sovereign Bonds and are stated at market value based on the exchange rate ruling at the end of reporting period.

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

	Period 2021/2022			Total MUR
	<u>Level 1</u> MUR	<u>Level 2</u> MUR	<u>Level 3</u> MUR	
Available-for-sale financial assets	839,635,473	560,950,063	726,734,492	2,127,320,028
	Period 2020/2021			
	<u>Level 1</u> MUR	<u>Level 2</u> MUR	<u>Level 3</u> MUR	<u>Total</u> MUR
Available-for-sale financial assets	818,512,912	400,801,602	843,965,577	2,063,280,091

**(b) Held-To-Maturity Securities and Deposits**

(i) Held-To-Maturity Securities and Deposits, which are stated at amortised cost, bear interests at rates ranging from 5.37% to 5.80% per annum and mature between August 2023 and October 2024 and comprise of:

	<u>June 2022</u> MUR	<u>June 2021</u> MUR
Deposits	34,380,167	41,789,590
Fixed Maturity Unquoted Bonds	44,920,000	317,200,000
	<b>79,300,167</b>	358,989,590

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2022

**7. INVESTMENTS IN SECURITIES AND DEPOSITS (CONT'D)**

	----- Available-For-Sale Financial Assets -----			<b>Held-To-Maturity Securities and Deposits</b>	<b>Total</b>
	<b>Local Quoted Securities MUR</b>	<i>Local Unquoted Securities MUR</i>	Foreign Equities/ Funds/ Bonds MUR	<b>MUR</b>	<b>MUR</b>
<b>AT FAIR VALUE</b>					
At 1 July 2021	<u>818,512,912</u>	<u>400,801,602</u>	<u>843,965,577</u>	<u>358,989,590</u>	<u>2,422,269,681</u>
Additions	41,087,394	275,000,000	-	34,000,000	350,087,394
Disposals/Matured / Redeemed	(52,465,146)	(123,243,802)	(6,330,000)	(316,789,589)	(498,828,537)
Interest capitalised / receivable	-	-	-	380,167	380,167
Fair value Gain/(Loss)	32,500,313	8,392,263	(110,901,085)	2,720,000	(67,288,509)
<b>At 30 June 2022</b>	<u><b>839,635,473</b></u>	<u><b>560,950,063</b></u>	<u><b>726,734,492</b></u>	<u><b>79,300,167</b></u>	<u><b>2,206,620,195</b></u>
<b>Classified as:</b>					
- Short term	-	-	-	380,167	380,167
- Long term	839,635,473	560,950,063	726,734,492	78,920,000	2,206,240,028
	<u><b>839,635,473</b></u>	<u><b>560,950,063</b></u>	<u><b>726,734,492</b></u>	<u><b>79,300,167</b></u>	<u><b>2,206,620,195</b></u>
<b>AT COST</b>					
<b>At 30 June 2022</b>	<u><b>644,732,401</b></u>	<u><b>529,136,877</b></u>	<u><b>219,823,321</b></u>	<u><b>68,400,000</b></u>	<u><b>1,462,092,599</b></u>
At 30 June 2021	<u>653,882,206</u>	<u>374,205,873</u>	<u>224,281,321</u>	<u>337,194,186</u>	<u>1,589,563,586</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**8. INVESTMENT PROPERTY**

	<b>June 2022</b> <b>MUR</b>	June 2021 <b>MUR</b>
At start of year	<b>264,000,000</b>	249,000,000
Gain on revaluation	<b>27,000,000</b>	15,000,000
At end of year	<b>291,000,000</b>	264,000,000

Investment property relates to Land and Buildings and includes the following:-

No.	Property location	Description of property	Latest valuation (MUR Million)
1	Brown Sequard Street, Port Louis	Land for a total extent of 314 toises: rented as covered parking.	96.5
2	Royal Road, Quartier Militaire	A two storey concrete building standing on a plot of land of a total extent of 73.35 perches.	25.2
3	Corner Independence and Brown Sequard Avenue, Vacoas	Two buildings standing on a plot of land of 24.50 perches (1118.82m <sup>2</sup> ).	27.3
4	Royal Road, Mare D'Albert	A building standing on a plot of land of 60.0 perches	21.1
5	Trianon	Agricultural land under sugar cane cultivation for a total extent of 25,323m <sup>2</sup> (6A), purchased in May 2018 at an all-inclusive cost of MUR 115.90 M	108.0
6	Royal Road, Central Flacq	Land under sugar cane cultivation of an extent of 48.92 perches (2064.79m <sup>2</sup> )	12.9

The above properties were last revalued by Ramrekha & Patten Chartered Valuation Surveyors (Principal – P Ramrekha, M.S.C, F.R.I.C.S. CSK Chartered Valuation Surveyor) in August 2022 and in accordance with the requirements of the RICS Valuation - Global Standards 2017 incorporated International Valuation Standards (IVS) 2017. As disclosed by the valuer, the Market Approach was adopted to value the properties; except for the property at Brown Sequard Street, Port Louis where the income generating capacity of the property has been adopted.

In line with IPSAS 16 para 86, the following disclosures are made:

- (i) Investment property No.1 generated Rental revenue of some MUR 1.58M.and Direct Operating Expenses amounted to some MUR 0.24M.
- (ii) No Direct Operating Expense was incurred for Investment Properties (2 to 5) not generating rental revenue.
- (iii) Investment property No. 6 generated proceeds from sale of sugar of some MUR 28,000.

The fair value hierarchy is as follows:

	<b>June 2022</b> <b>MUR</b>	<b>Level 3</b> June 2021 <b>MUR</b>
Land and Buildings	<b>291,000,000</b>	264,000,000

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**9. LONG TERM LOANS**

	<b>June 2022</b>	June 2021
	<b>MUR</b>	MUR
Personal Loans (i)	<b>837,084</b>	1,496,888
Motor Vehicles Loans (ii)	<b>2,036,475</b>	1,768,738
	<b>2,873,559</b>	3,265,626

**(i) Personal Loans (staff)**

	<b>June 2022</b>	June 2021
	<b>MUR</b>	MUR
Total amount due	<b>1,251,197</b>	2,115,333
Deduct: Amount falling due within one year (Note 5)	<b>(414,113)</b>	(618,445)
Amount falling due after more than one year	<b>837,084</b>	1,496,888

Personal loans to staff bear interest at Repo plus 1% per annum.

**(ii) Motor Vehicles Loans (staff)**

Total amount	<b>3,195,404</b>	3,003,130
Deduct: Amount falling due within one year (Note 5)	<b>(1,158,929)</b>	(1,234,392)
Amount falling due after more than one year	<b>2,036,475</b>	1,768,738

Motor Vehicle Loans to staff disbursed prior to January 2016 bear interest at 4.0% per annum and thereafter at 3.0% per annum, as per conditions of service.

**10. INVESTMENT IN ASSOCIATE**

The Fund holds 20% of the ordinary share capital of SICOM Group and is represented on its Board of Directors. SICOM Group has a financial year starting on 1 July and ending on the subsequent 30 June. The figures reported as at 30 June 2022 is based on the draft financial statement of SICOM Group.

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

	<b>June 2022</b>	June 2021
	<b>MUR</b>	MUR
Total Assets	<b>25,828,596,000</b>	24,727,865,000
Total Liabilities	<b>18,439,219,000</b>	17,344,922,000
After Tax adjusted profit for the year	<b>255,481,000</b>	936,534,000
Adjusted Share of profit (20%)	<b>35,864,600</b>	187,274,400
Share of net assets (20%)	<b>1,476,950,042</b>	1,475,645,312

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**11. PROPERTY, PLANT AND EQUIPMENT**

The Fund's Property, Plant and Equipment include freehold land and building that were last revalued in August 2022 by RICS, (Principal - Mr. P. Ramrekha, M.S.C, F.R.I.C.S. CSK Chartered Valuation Surveyor).

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

	Cost	Accumulated depreciation	Net book value
At 30 June 2022	MUR	MUR	MUR
<b>Freehold Land</b>	<b>2,946,841</b>	-	<b>2,946,841</b>
<b>Building</b>	<b>22,763,712</b>	<b>(22,763,712)</b>	-
	<b>25,710,553</b>	<b>(22,763,712)</b>	<b>2,946,841</b>
At 30 June 2021			
Freehold Land	2,946,841	-	2,946,841
Building	22,763,712	(22,194,619)	569,093
	25,710,553	(22,194,619)	3,515,934

Details of the Fund's buildings and freehold land measured at fair value and information about the fair value hierarchy at period/year end are as follows:

	<b>Level 3</b>	
	June 2022 MUR	June 2021 MUR
Freehold Land	<b>51,800,000</b>	41,400,000
Buildings	<b>39,700,000</b>	30,955,384
	<b>91,500,000</b>	72,355,384
<b><u>Reconciliation:</u></b>		
Opening balance at start of year	<b>72,355,384</b>	73,441,538
Surplus on Revaluation	<b>14,800,000</b>	-
Depreciation charge for the year	<b>(1,086,153)</b>	(1,086,154)
Depreciation eliminated on Revaluation	<b>5,430,769</b>	-
Balance at year end	<b>91,500,000</b>	72,355,384

**(i) As disclosed by the Valuer:**

- (a) for the purpose of the valuation report, the Market Approach was adopted;
- (b) The valuation exercise is in accordance with the requirements of the RCIS Valuation – Global Standards 2022 incorporating International Valuation Standards.

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

- (a) The property is appraised free and clear from all charges and encumbrances;
- (b) The property has good and marketable title deed;
- (c) Vacant possession can be given;
- (d) The building have been erected under competent supervision, in accordance with all planning regulations and have the benefit of planning consents or existing use rights for their current use;
- (e) The buildings comply with all statutory and local authority regulations including building, fire and health and safety regulations.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	<b>Freehold Land</b>	<i>Buildings</i>	Improvement to Land and Buildings	Furniture & Other Equipment	<b>Motor Vehicles</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>MUR</b>	<b>MUR</b>	<b>MUR</b>	<b>MUR</b>	<b>MUR</b>	<b>MUR</b>	<b>MUR</b>
<b>COST AND VALUATION</b>							
At 30 June 2020	41,400,000	35,300,000	6,319,660	10,404,582	4,066,450	17,744,963	115,235,655
Additions	-	-	-	830,630	-	217,454	1,048,084
At 30 June 2021	<b>41,400,000</b>	<b>35,300,000</b>	<b>6,319,660</b>	<b>11,235,212</b>	<b>4,066,450</b>	<b>17,962,417</b>	<b>116,283,739</b>
Surplus on revaluation	10,400,000	4,400,000	-	-	-	-	14,800,000
Additions	-	-	-	160,976	-	1,686,418	1,847,394
Disposal	-	-	-	-	-	(58,000)	(58,000)
<b>At June 2022</b>	<b>51,800,000</b>	<b>39,700,000</b>	<b>6,319,660</b>	<b>11,396,188</b>	<b>4,066,450</b>	<b>19,590,835</b>	<b>132,873,133</b>
<b>DEPRECIATION</b>							
As 30 June 2020	-	3,258,462	5,331,207	6,911,639	3,606,483	15,172,252	34,280,043
On Change in Accounting Estimates	-	-	(621,040)	-	-	(1,952,101)	(2,573,141)
Charge for the year	-	1,086,154	424,223	529,601	406,645	1,407,518	3,854,141
At 30 June 2021	-	4,344,616	5,134,390	7,441,240	4,013,128	14,627,669	35,561,043
On Change in Accounting Estimates	-	-	(329,025)	(208,341)	(1,500,000)	(396,140)	(2,433,506)
Charge for the year	-	1,086,153	415,924	448,429	353,323	1,616,958	3,920,787
Eliminated on Revaluation	-	(5,430,769)	-	-	-	-	(5,430,769)
	-	-	5,221,289	7,681,328	2,866,451	15,848,487	31,617,555
<b>NET BOOK VALUE</b>							
<b>At 30 June 2022</b>	<b>51,800,000</b>	<b>39,700,000</b>	<b>1,098,371</b>	<b>3,714,860</b>	<b>1,199,999</b>	<b>3,742,348</b>	<b>101,255,578</b>
At 30 June 2021	41,400,000	30,955,384	1,185,270	3,793,972	53,322	3,334,748	80,722,696

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**12. INTANGIBLE ASSETS – COMPUTER SOFTWARE**

	June 2022	June 2021
	MUR	MUR
<b><u>Cost</u></b>		
At start of year	6,914,682	6,914,682
At end of year	6,914,682	6,914,682
<b><u>Amortisation</u></b>		
At start of year	5,474,169	6,761,531
Eliminated on change in Accounting Estimates	(382,875)	(1,715,718)
Charge for the year	351,781	428,356
At end of year	5,443,075	5,474,169
<b>Carrying value at year end</b>	<b>1,471,607</b>	<b>1,440,513</b>

**13. PAYABLES**

General Compensation	-	427,763,146
Provision for Compensation for Crop 2010 - re: DRBC case	24,000,000	24,000,000
Fire Compensation	-	9,010,779
Accruals	2,940,486	5,509,880
Provision for passage benefits (note 15)	3,000,000	2,000,000
Others	536,201	536,412
	<b>30,476,687</b>	<b>468,820,217</b>

**14. EMPLOYEES BENEFITS**

At start of year	43,626,002	47,671,515
Charge for the year	9,777,613	997,400
	53,403,615	48,668,915
<u>Less: Payment during the year</u>	<u>(7,421,884)</u>	<u>(5,042,913)</u>
<b>At end of year</b>	<b>45,981,731</b>	<b>43,626,002</b>
<b>Classified as:</b>		
Long Term	36,983,622	38,543,607
Short Term	8,998,109	5,082,395

**15. PROVISION FOR STAFF PASSAGE BENEFITS**

At start of year	7,490,332	6,429,776
Payment during the year	(3,873,960)	(1,965,584)
Provision for the year	2,538,971	3,026,140
	6,155,343	7,490,332
<u>Less: Amount due within one year (Note 13)</u>	<u>(3,000,000)</u>	<u>(2,000,000)</u>
<b>At end of year</b>	<b>3,155,343</b>	<b>5,490,332</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**16. RETIREMENT BENEFIT OBLIGATIONS**

**(a) Defined Benefit Plan**

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

The following employee benefits information is based on the report submitted by SICOM Ltd in line with IPSAS 39.

(i) Amounts recognised in statement of financial position:

	<b>June 2022</b>	June 2021
	<b>MUR</b>	MUR
Defined benefit obligation	<b>1,018,398,107</b>	943,224,397
Fair value of plan assets	<b>(576,841,185)</b>	(532,684,992)
Liability recognised in statement of financial position	<b>441,556,922</b>	410,539,405

(ii) Amounts recognised in statement of financial performance:

Current service cost	<b>7,677,672</b>	7,691,154
Employee Contributions	<b>(3,390,743)</b>	(3,068,828)
Fund Expenses	<b>216,848</b>	205,622
Net Interest expense	<b>17,982,493</b>	10,476,483
Profit & Loss Charge	<b>22,486,270</b>	15,304,431

(iii) Amount recognised in Net Asset/Equity:

Liability experience (gain) / Loss	<b>89,275,276</b>	137,778,037
Assets experience Loss/ (gain)	<b>29,359,489</b>	(7,963,961)
Net Asset/Equity (NAE)	<b>118,634,765</b>	129,814,076

(iv) Liability recognised in the statement of financial position:

At start of year	<b>410,539,405</b>	275,095,584
Amount recognised in Profit & Loss	<b>22,486,270</b>	15,304,431
Past Service Funding	<b>(100,000,000)</b>	-
Contributions paid by employer	<b>(10,103,518)</b>	(9,674,686)
Amount recognised in NAE	<b>118,634,765</b>	129,814,076
At end of period	<b>441,556,922</b>	410,539,405

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

Present value of obligation at start of period	<b>943,224,397</b>	829,718,003
Current service cost	<b>7,677,672</b>	7,691,154
Interest cost	<b>43,859,934</b>	29,040,130
Benefits paid	<b>(65,639,172)</b>	(61,002,927)
Liability (gain)/ loss	<b>89,275,276</b>	137,778,037
Present value of obligation at end of period	<b>1,018,398,107</b>	943,224,397

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**16. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)**

**(a) Defined Benefit Plan (cont'd)**

(vi) Reconciliation of fair value of plan assets:

	<b>June 2022</b>	June 2021
	<b>MUR</b>	MUR
Fair value of plan assets at start of period	<b>532,684,992</b>	554,622,419
Expected return on plan assets	<b>25,877,441</b>	18,563,647
Employer contributions	<b>10,103,518</b>	9,674,686
Employee contributions	<b>3,390,743</b>	3,068,828
Past Service Funding	<b>100,000,000</b>	-
Benefits paid + other outgo	<b>(65,856,020)</b>	(61,208,549)
Asset (loss)/gain	<b>(29,359,489)</b>	7,963,961
Fair value of plan assets at end of period	<b>576,841,185</b>	532,684,992

(vii) Components of the amount recognised in NAE:

Assets experience (Loss)/gain during the year	<b>(29,359,489)</b>	7,963,961
Liability experience gain / (Loss) during the year	<b>(89,275,276)</b>	(137,778,037)
Net Asset/Equity (NAE)	<b>(118,634,765)</b>	(129,814,076)

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

Percentage of assets at end of year	<b>% of fair value of total plan assets</b>	
	<b>June 2022</b>	June 2021
Fixed interest securities and cash	<b>58.0%</b>	54.8%
Loans	<b>2.9%</b>	2.8%
Local equities	<b>13.6%</b>	11.8%
Overseas equities and bonds	<b>25.0%</b>	30.1%
Property	<b>0.5%</b>	0.5%
Total	<b>100%</b>	100%

(ix) Weighted average duration of the defined benefit obligation (Calculated as a % change in PV of liabilities for a 1% change in discount rate) : 11 years

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

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

(xi) Expected Employer's contributions for the financial year 2022/2023: MUR 9,647,744

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**16. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)**

**(a) Defined Benefit Plan (cont'd)**

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

	Year ended 30 June 2022 %	Year ended 30 June 2021 %
Discount rate	<b>4.80</b>	4.65
Future salary increases	<b>3.50</b>	3.00
Future pension increases	<b>2.50</b>	2.00
Mortality before retirement	<b>A 6770 Ultimate Tables</b>	
Mortality in retirement	<b>PA (90) rated down by 2 years</b>	
Retirement age	<b>65 years</b>	

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

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

- If the discount rate would be 100 basis points (1%) higher (lower), the defined benefit obligation would decrease by Rs 103 M (increase by Rs 123.2 M) if all other assumptions were held unchanged.
- If the expected salary growth would increase (decrease) by 100 basis points, the defined benefit obligation would increase by Rs 28.6 M (decrease by Rs 26.1 M) if all assumptions were held unchanged.
- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 34.2 M (decrease by Rs 33.9 M) if all assumptions were held unchanged.
- In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

(xv) Five year summary – Experience adjustment

*Amounts recognised in statement of financial position:*

	June 2022 MUR	June 2021 MUR	June 2020 MUR	June 2019 MUR	June 2018 MUR
Present value of funded obligation	<b>1,018,398,107</b>	943,224,397	829,718,003	821,274,054	824,317,122
Fair value of plan assets	<b>(576,841,185)</b>	(532,684,992)	(554,622,419)	(551,220,844)	(564,883,556)
Liability in statement of financial position	<b>441,556,922</b>	410,539,405	275,095,584	270,053,210	259,433,566



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**16. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)**

**(a) Defined Benefit Plan (cont'd)**

*Reconciliation of the present value of defined benefit obligation:*

	<b>June 2022</b> MUR	June 2021 MUR	June 2020 MUR	June 2019 MUR	June 2018 MUR
Present value of obligation at start of period	<b>943,224,397</b>	829,718,003	821,274,054	824,317,122	794,349,530
Current service cost	<b>7,677,672</b>	7,691,154	8,627,786	7,528,017	7,170,190
Interest cost	<b>43,859,934</b>	29,040,130	28,744,592	47,810,393	50,044,020
Benefits paid	<b>(65,639,172)</b>	(61,002,927)	(49,353,749)	(51,076,388)	(47,936,586)
Liability loss/(gain)	<b>89,275,276</b>	137,778,037	20,425,320	(7,305,090)	20,689,968
Present value of obligation at end of period	<b>1,018,398,107</b>	943,224,397	829,718,003	821,274,054	824,317,122

*Reconciliation of fair value of plan assets:*

	<b>June 2022</b> MUR	June 2021 MUR	June 2020 MUR	June 2019 MUR	June 2018 MUR
Fair value of plan assets at start of period	<b>532,684,992</b>	554,622,419	551,220,844	564,883,556	550,497,042
Expected return on plan assets	<b>25,877,441</b>	18,563,647	18,656,068	31,666,321	33,585,056
Employer contributions	<b>10,103,518</b>	9,674,686	10,091,365	10,234,900	10,144,596
Employee contributions	<b>3,390,743</b>	3,068,828	3,186,747	3,232,074	3,203,556
Past Service Funding	<b>100,000,000</b>	-	-	-	-
Benefits paid + other outgo	<b>(65,856,020)</b>	(61,208,549)	(49,658,784)	(51,291,981)	(48,149,992)
Asset gain/(loss)	<b>(29,359,489)</b>	7,963,961	21,126,179	(7,504,027)	15,603,298
Fair value of plan assets at end of period	<b>576,841,185</b>	532,684,992	554,622,419	551,220,844	564,883,556

**(b) Defined Contribution Plan**

The defined contribution plan for employees is funded by the employer and the employee and is independently administered by the State Insurance Company of Mauritius Ltd (SICOM Ltd). As per IPSAS 39 para 55, the following is disclosed:

An amount of MUR 188,464 has been recognised as expenditure for this financial year.

**17. ACCUMULATED FUNDS**

	<b>June 2022</b> MUR	June 2021 MUR
General Fund	<b>3,418,542,116</b>	3,137,345,880
Fire Fund	<b>5,642,651</b>	2,069,160
	<b>3,424,184,767</b>	3,139,415,040

**18. INSURANCE PREMIUM**

The Government of Mauritius paid an amount of MUR 22 Million to the Fund and a balance of MUR 35.49 Million is still due. The total of MUR 57.49 Million represents General Insurance Premium and Fire Premium for Crop 2021 for small planters/ métayers having not more than 60T of sugar accrued.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**19. INVESTMENT INCOME**

	<b>June 2022</b>	<b>June 2021</b>
	<b>MUR</b>	<b>MUR</b>
Interest Income on:		
<i>Held to maturities securities/ deposits</i>	<b>18,169,071</b>	23,061,710
<i>Cash and cash equivalent</i>	<b>979,526</b>	913,887
<i>Loans &amp; receivables</i>	<b>3,094,008</b>	6,261,927
<i>Available-for-sale securities</i>	<b>22,787,932</b>	25,366,679
Total Interest Income	<b>45,030,537</b>	55,604,203
Dividends	<b>24,015,634</b>	14,016,072
	<b>69,046,171</b>	69,620,275
<i>Allocated to:</i>		
General Insurance Account	<b>69,009,695</b>	69,569,490
Fire Insurance Account	<b>36,476</b>	50,785

**20. PROFIT ON SALE OF SECURITIES**

On sale of local quoted shares	<b>751,575</b>	16,158,451
On sale of local unquoted securities	<b>4,931,003</b>	3,220,046
On sale of foreign bonds	<b>1,977,000</b>	-
On maturity of local quoted notes	<b>2,097,500</b>	1,319,328
	<b>9,757,078</b>	20,697,825

**21 (a) FAIR VALUE AND OTHER GAINS**

On Reversal of Impairment Loss (BTB)	-	40,000,000
On translation of foreign currency deposits	<b>5,241,675</b>	9,033,541
On revaluation of investment properties	<b>27,000,000</b>	15,000,000
On held to maturity securities	<b>2,720,000</b>	2,510,000
On AFS Securities	<b>7,070,238</b>	-
On change in amounts estimates –Depreciation of PPE	<b>2,816,380</b>	4,288,859
	<b>44,848,293</b>	70,832,400

**21 (b) EXCHANGE AND OTHER LOSSES**

On disposal of PPE & Forex	<b>7,261</b>	-
On AFS Securities	-	10,636,796
	<b>7,261</b>	10,636,796

**22. OTHER REVENUE**

Request for information/land conversion/duty-free certificate	<b>1,068,103</b>	793,765
Late registration fee	<b>10,940</b>	10,030
Morcellement permit fee	<b>248,324</b>	69,427
Rental of parking	<b>1,578,150</b>	1,497,164
Management fee from fire fund	<b>287,047</b>	255,508
Other sundry receipts	<b>401,641</b>	481,249
	<b>3,594,205</b>	3,107,143

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

### 23. GENERAL INSURANCE COMPENSATION

Based on new insurance terms, Crop 2021 has not been declared as an event year under general insurance.

### 24. ADMINISTRATIVE EXPENSES

	June 2022 MUR	June 2021 MUR
Staff costs	99,955,433	89,910,004
Provision for Employees Benefits	9,893,854	997,400
Depreciation	3,920,787	3,854,141
Amortisation of Intangible Assets	351,781	428,356
Directors fees	3,831,129	3,549,193
Legal, Professional, Auditor, Actuarial and Fund Management fees	6,325,429	4,726,979
Utilities	2,369,646	2,163,857
Others	6,289,563	5,735,694
	<u>132,937,622</u>	<u>111,365,624</u>

### 25. REINSURANCE PREMIUM

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

### 26. CASH AND CASH EQUIVALENT (Cash Flow)

	June 2022 MUR	June 2021 MUR
Cash & cash equivalent is represented by:		
Bank and cash balances	5,249,402	5,468,939
Short term deposits	521,700,719	237,686,591
As reported in Statement of Financial Position	<u>526,950,121</u>	<u>243,155,530</u>

The above cash and cash equivalent balances held by the Fund at year end are available for use without any restriction. The Fund has no undrawn borrowing facilities at year end.

### 27. BUDGET COMPARED TO ACTUAL

#### (i) General Insurance Premium

The General Insurance Premium for crop 2021 was budgeted based on the then existing insurance terms. The Board adopted the Consulting Actuary's recommendation effective crop 2021 and reinstated the full premium percentage by amending the second schedule of the SIF Act. The sugar price for insurance purposes also evolved positively.

#### (ii) Interest Receivable

Actual interest receivable is higher than budgeted due to the fact that a prudent approach was adopted at time of budgeting in view of market uncertainties prevailing due to the COVID-19 pandemic.

#### (iii) Dividend Income

The budgeted dividend Income includes dividend receivable from SICOM Ltd while the Actual dividend received from SICOM Ltd has been consolidated in line with IPSAS 36.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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### 27. BUDGET COMPARED TO ACTUAL (CONT'D)

*(iv) Profit on sale of Securities*

The Fund Managers disposed part of the holding in local quoted shares during the financial year, thus realising gains. Further gains were realised on disposal/ maturity of other available-for-sale securities.

*(v) Share of surplus in Associate*

The Fund's Budget Estimates for the financial year was not consolidated to include any share of profit of its Associate (SICOM Ltd).

*(vi) Fair Value and other gains / losses*

Fair value and other gains include mainly gains on translation of forex at year end, fair value gains on HTM securities, gains on revaluation of investment property at year end and gains on change in accounting estimates.

*(vii) Administrative and Other Expenses*

- a) Included in Administrative Expenses is retirement benefit charge; determined by an actuarial valuation of the Staff Pension Fund at year end and the effect of the retrospective application of the PRB Report 2021.
- b) Non-cash expenditure such as depreciation and amortisation of assets are not provided for in budgeting

*(viii) Fire Insurance Compensation*

Lower fire compensation for Crop 2021 is a result of lesser fire outbreaks over both the crop cycle and harvest season.

### 28. RELATED PARTY TRANSACTIONS

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

	<b>June 2022</b>	June 2021
	<b>MUR</b>	MUR
<i>(a) Outstanding balances</i>		
Loans to key management personnel under conditions of service	-	-
<i>(b) Transactions with entity under common directorship</i>		
(i) Short Term Loans	-	125,142,082
(ii) Long Term Loans	-	90,000,000
	-	215,142,082

Transactions with entity under common directorship at June 2021 represent loans granted to the Mauritius Sugar Syndicate both on Short Term and Long Term basis. These transactions were effected at full arm's length.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**28. RELATED PARTY TRANSACTIONS (CONT'D)**

	<b>June 2022</b> <b>MUR</b>	June 2021 MUR
<i>(c) Compensation of key management personnel:</i>		
- Short term benefits	<b>3,826,301</b>	4,266,560
- Post-employment benefits contribution	<b>1,427,792</b>	1,030,638
- Other benefits	<b>314,892</b>	897,552
	<b><u>5,568,985</u></b>	<u>6,194,750</u>

*(d) Disclosure of control:*

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

- (i) Provider of Insurance on Property, Plant and Equipment (PPE)  
Insurance on PPE was contracted with the Associate following a tendering exercise conducted by the Fund's Insurance Broker.
- (ii) Staff Pension Fund Manager  
As per Statutory requirements, SICOM Ltd is the Board's Staff Pension Fund Manager.

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

**29. FINANCIAL INSTRUMENTS**

**29.1 Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenue and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.17 to the financial statements.

**29.2 Categories of financial instruments**

*Financial assets*

	<b>June 2022</b> <b>MUR</b>	June 2021 MUR
- Held to maturity investments	<b>79,300,168</b>	358,989,590
- Loans and Receivables (including cash & Cash Equivalents and excluding prepayments)	<b>572,757,157</b>	600,075,720
- Available for sale financial assets	<b>2,127,320,027</b>	2,063,280,091
	<b><u>2,779,377,352</u></b>	<u>3,022,345,401</u>

*Financial liabilities*

Liabilities	<b><u>521,170,682</u></b>	<u>928,475,956</u>
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**29.3 Financial risk management**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**29. FINANCIAL INSTRUMENTS (CONT'D)**

**29.3 Financial risk management (cont'd)**

**(i) Price Management**

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

• **Foreign currency risk management**

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

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

**Currency profile**

Currency	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
	June 2022	June 2022	June 2021	June 2021
	MUR	MUR	MUR	MUR
Mauritian Rupees	<b>1,299,065,926</b>	<b>521,170,682</b>	1,476,527,659	928,475,956
United States Dollars	<b>1,183,807,384</b>	-	1,200,106,635	-
Euro	<b>296,415,746</b>	-	345,617,123	-
British Pounds	<b>88,296</b>	-	93,984	-
	<b>2,779,377,352</b>	<b>521,170,682</b>	3,022,345,401	928,475,956

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 surplus and other equity where the Rupee strengthens by 1% against the relevant currency. There would be an equal and opposite impact on surplus and other equity, if the rupee weakens by 1%.

	June 2022	June 2021
	MUR	MUR
<b>(a) USD Impact</b>		
Surplus or deficit in statement of financial position	<b>1,838,639</b>	1,358,081
Revaluation Reserve in statement of financial position	<b>9,999,434</b>	10,642,985
<b>(b) EURO Impact</b>		
Surplus or deficit in statement of financial position	<b>334,172</b>	192,762
Revaluation Reserve in statement of financial position	<b>2,629,986</b>	3,263,409

The above is mainly attributable to:

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**29. FINANCIAL INSTRUMENTS (CONT'D)**

**29.3 Financial risk management (cont'd)**

• **Interest rate risk management**

The Fund has limited exposure to interest rate risk as none of its financial liabilities is interest bearing, all of the Fund's loans receivable and fixed deposits are fixed-interest bearing, while only part of its quoted notes and bonds are at floating interest rates. A 25 basis point change in interest rate has an effect of some MUR 0.28 Million on the Fund's interest receivable.

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

Financial assets	Currency	Fixed Interest rate (%)		Floating Interest rate (%)	
		2022	2021	2022	2021
Bank Deposits	MUR	-	-	-	0.00-0.65
Loan to MSS – Short Term	MUR	<b>1.6-1.75</b>	1.75	-	-
Loan to MSS – Long Term	MUR	<b>2.85</b>	2.85-4.50	-	-
Fixed deposits	MUR	<b>5.37</b>	5.37	-	-
Short term deposits	USD	<b>1.0-1.29</b>	0.7-1.28	-	-
Short term deposits	EUR	-	0.35	-	-
Debentures/Notes	MUR	<b>6.15</b>	6.15	<b>3.20</b>	3.20
Debentures/Notes	USD	<b>4.75-6.00</b>	4.75-6.00	-	-
Debentures/Notes	EUR	<b>3.35</b>	3.35	<b>6m Euribor +4.00</b>	<b>6m Euribor +4.00</b>

• **Market Management risk**

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

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

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

	<b>June 2022</b>	June 2021
	<b>MUR</b>	MUR
Available-for-sale securities	<b><u>22,066,202</u></b>	<u>20,632,801</u>

(ii) **Credit risk management**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**29. FINANCIAL INSTRUMENTS (CONT'D)**

**29.3 Financial risk management (cont'd)**

*(iii) Liquidity risk management*

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

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

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

	<i>Within 1 month MUR</i>	<i>1 to 3 months MUR</i>	<i>3 months to 1 year MUR</i>	<i>More than 1 year MUR</i>	<i>No fixed maturity MUR</i>
Held to maturity (incl. interest)	-	-	<b>380,167</b>	<b>78,920,000</b>	-
Available-for-sale	-	-	-	<b>247,365,696</b>	<b>1,879,954,332</b>
Loans & Receivables (excl prepayments)	<b>523,120</b>	<b>1,347,578</b>	<b>40,988,661</b>	<b>2,873,560</b>	<b>74,116</b>
Cash & cash equivalents	<b>401,174,122</b>	-	<b>125,776,000</b>	-	-
	<b><u>401,697,242</u></b>	<b><u>1,347,578</u></b>	<b><u>167,144,828</u></b>	<b><u>329,159,256</u></b>	<b><u>1,880,028,448</u></b>

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

	<i>Within 1 month MUR</i>	<i>1 to 3 months MUR</i>	<i>3 months to 1 year MUR</i>	<i>More than 1 year MUR</i>
<b>Liabilities</b>	<b><u>3,542,102</u></b>	<b><u>1,827,201</u></b>	<b><u>9,281,401</u></b>	<b><u>506,519,978</u></b>

**30. MANAGEMENT OF INSURANCE RISKS**

*Insurance risk*

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



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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### 30. MANAGEMENT OF INSURANCE RISKS (CONT'D)

#### *Insurance risk (cont'd)*

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 the occurrence of cyclones, droughts and excessive rainfall.

##### *(ii) Concentration of insurance risks*

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

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

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

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

### 31. SENSITIVITY ANALYSIS

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

For Crop 2021, the following variables are relevant:

#### *(i) Climatic conditions*

Climatic conditions relates to the effects of cyclonic winds, excessive rainfall and drought.

#### *(ii) Islandwide tonnage of canes of 2,669,667 tonnes.*

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

#### *(iii) Islandwide extraction rate 9.63 %*

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

#### *(iv) Islandwide sugar production of 257,155 tonnes*

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

#### *(v) Harvestable Extent of 39,642 Hectares*

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

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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### 31. SENSITIVITY ANALYSIS (CONT'D)

(vi) Islandwide Total Insurable Sugar 300,912 tonnes

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

(vii) Islandwide average ranking 9.3

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

The main variable which has the most material effect on insurance liabilities is islandwide Sugar Production expressed as a percentage of islandwide Total Insurable Sugar.

### 32. CONTINGENT LIABILITY

The Fund is making the following disclosure in respect to contingent liability in line with IPSAS 19 in the matter P.Bissonauth & anor v/s The Sugar Insurance Fund Board, as the outcome of the case cannot be determined:

A former Deputy General Manager of the SIFB was convicted for assault and was subsequently dismissed from the services of the Board on 03.10.1996. He entered a plaint with summons against the SIFB following his dismissal. The case was dismissed by the Supreme Court and in January 2021, the court of Appeal delivered a judgement in favour of the ex-officer and remitted the case back to the Supreme Court to be heard. The litigation claimed by the ex-officer amounts to some Rs 5.5M.

### 33. CLAIMS HISTORY AND DEVELOPMENT

The claims history and development is summarised below:

#### General and Fire insurance

Crop Year	General Compensation MUR	Fire Compensation MUR	General and Fire Premium (gross) MUR	Loss Ratio
2021	-	5,744,166	379,270,241	1.52%
2020	427,763,146	9,010,755	149,383,455	292.38%
2019	-	12,163,977	139,854,556	8.70%
2018	301,766,632	7,026,539	123,539,652	250%
2017	466,630,737	3,070,713	191,905,180	239.32%
2016	-	12,612,851	237,455,450	5.32%
2015	406,827,520	7,226,480	207,962,000	199.10%
2014	-	7,250,000	192,344,374	3.70%
2013	-	7,469,662	271,200,000	2.80%

#### Note

The gross premium is before deduction of discounts given to Insureds. (MUR 200.55 Million in 2015, MUR 185.23 Million in 2014).

### 34. FINANCIAL COMMITMENT / TAXATION

(i) At end of reporting date, the Fund had no financial commitment with other parties.

(ii) The Fund is exempt from income tax.

### 35. CONTROLLING PARTY

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

# Appendix A

## Financial and Statistical Tables

Table I:	Statement of Funds
Table II:	Fire Statistics, Crop 2021
Table III:	Sugar Price, 2011 – 2021
Table IV:	Events by Factory Area, 2013 - 2021
Table V:	Credit Co-operative Societies, Crop 2021
Table VI:	Millers, Crop 2021
Table VII:	Area Harvested & Cane Weight, Crop 2021
Table VIII:	Number of Planters, Sugar Produced & Insurable Sugar, Crop 2021
Table IX:	Premium, Compensation and Shortfall - Crop 2021
Table X:	Past Years' Data (2011 – 2021)

**Table 1: Statement of Funds**

Financial Year/period	Income				Expenditure					Operating Surplus/ (Deficit)	Accumulated Funds	Surplus/ (Deficit) on revaluation	Revaluation Reserves	Total Equity
	Gross Premium	Other contributions	Investments & Other Income	Total Income	Net compensation	Financial Assistance	Net Reinsurance Premium	Operating & other Expenses	Total Expenditure					
	Note 1	Note 2	Note 3		Note 4		Note 5	Note 6						
Up to 2012	17,151,147,493	2,115,727,347	5,604,547,889	24,871,422,729	13,879,504,415	-	2,578,619,861	3,208,816,001	19,666,940,277	5,204,482,452	<b>5,204,482,452</b>	624,293,300	<b>624,293,300</b>	<b>5,828,775,752</b>
2013 (Restated)	271,520,300	-	296,510,208	568,030,508	7,469,662	-	-	535,157,275	542,626,937	25,403,571	<b>5,229,886,023</b>	148,461,755	<b>772,755,055</b>	<b>6,002,641,078</b>
2014	192,155,641	7,072,238	341,441,261	540,669,140	7,250,000	900,000,000	-	357,056,844	1,264,306,844	(723,637,704)	<b>4,506,248,319</b>	(35,635,428)	<b>737,119,627</b>	<b>5,243,367,946</b>
2015	207,934,630	-	327,139,143	535,073,773	414,130,480	414,659,158	-	396,611,483	1,225,401,121	(690,327,348)	<b>3,815,920,971</b>	(33,581,276)	<b>703,538,351</b>	<b>4,519,459,322</b>
2017 (18 months)	237,455,450	-	343,224,912	580,680,362	12,612,851	447,000,000	-	282,063,695	741,676,546	(160,996,184)	<b>3,654,924,787</b>	144,003,391	<b>847,541,742</b>	<b>4,502,466,529</b>
2018	191,905,180	-	492,579,581	684,484,761	469,701,450	315,900,000	-	144,608,272	930,209,722	(245,724,961)	<b>3,409,199,826</b>	(199,548,087)	<b>647,993,655</b>	<b>4,057,193,481</b>
2019	123,539,652	-	335,824,718	459,364,370	308,793,171	436,684,867	-	208,796,111	954,274,149	(494,909,779)	<b>3,070,087,537</b>	(60,565,098)	<b>426,579,719</b>	<b>3,496,667,256</b>
2020	139,854,556	-	258,340,844	398,195,400	36,205,380	-	-	113,600,328	149,805,708	248,389,692	<b>3,327,710,088</b>	39,902,546	<b>466,482,265</b>	<b>3,794,192,353</b>
2021	149,018,814	-	351,276,535	500,295,349	436,773,901	-	-	122,002,420	558,776,321	(58,480,972)	<b>3,139,415,040</b>	310,816,081	<b>777,298,346</b>	<b>3,916,713,386</b>
2022	379,270,241	-	162,823,300	542,093,541	5,744,166	-	-	132,944,883	138,689,049	403,404,492	<b>3,424,184,767</b>	(71,443,730)	<b>705,854,616</b>	<b>4,130,039,383</b>
<b>TOTAL</b>	<b>19,043,801,957</b>	<b>2,122,799,585</b>	<b>8,513,708,391</b>	<b>29,680,309,933</b>	<b>15,578,185,476</b>	<b>2,514,244,025</b>	<b>2,578,619,861</b>	<b>5,501,657,312</b>	<b>26,172,706,674</b>					

Notes

- 1 Gross Premium includes Total General and Fire Premium receivable from all insureds
- 2 Other contributions include receipts Recoveries from Reinsurers.
- 3 Other income includes all other items not classified under Note 1 and 2 and also includes items posted directly to reserves
- 4 Net compensation includes amounts payable during the financial year/period, net of adjustments.
- 5 Reinsurance premium is based on amounts payable during the financial year/period, net of adjustments
- 6 Operating & Other expenses include all other items not classified under Note 4 and 5
- 7 Also Includes transfer of revaluation surplus on disposal and movement in reserves on recognition of Associate in 2012

**Table II: Fire Statistics, Crop 2021**

SECTOR	INTER-CROP FIRE COMPENSATION			TRANSPORT ALLOWANCE		TOTAL FIRE COMPENSATION [Rs]
	Eligible Accounts	HE Burnt [Ha]	Net Compensation [Rs]	Eligible Accounts	Transport Refund [Rs]	
<b>NORTH</b>	4	1.070	47,516	8	73,734	121,250
<b>SOUTH</b>	22	58.555	2,687,740	8	1,461,266	4,149,006
<b>EAST</b>	9	26.519	1,220,621	--	--	1,220,621
<b>WEST</b>	2	1.900	92,678	1	4,970	97,648
<b>CENTRE</b>	1	4.221	155,641	--	--	155,641
<b>TOTAL</b>	<b>38</b>	<b>92.265</b>	<b>4,204,196</b>	<b>17</b>	<b>1,539,970</b>	<b>5,744,166</b>

**Table III: Sugar Price for Insurance**

Crop Year	Planters	Millers	Weighted
	(Rupees/Tonne )		
<b>2011</b>	16,013	15,300	<b>15,856</b>
<b>2012</b>	17,133	16,500	<b>16,994</b>
<b>2013</b>	17,091	16,500	<b>16,961</b>
<b>2014</b>	13,184	12,500	<b>13,034</b>
<b>2015</b>	13,735	13,000	<b>13,573</b>
<b>2016</b>	15,946	15,300	<b>15,804</b>
<b>2017</b>	14,196	13,500	<b>14,043</b>
<b>2018</b>	10,462	9,700	<b>10,294</b>
<b>2019</b>	10,823	10,000	<b>10,642</b>
<b>2020</b>	12,780	12,000	<b>12,608</b>
<b>2021</b>	16,493	15,464	<b>16,267</b>

**Table IV: Event Year**

AREA/SECTOR	2018 <sup>1</sup>	2019	2020	2021 <sup>2</sup>
<b>TERRA (NORTH)</b>				
Belle Vue	---	---	---	---
Beau Plan	---	---	---	---
Mon Loisir	---	---	---	---
<b>ALTEO (CENTRE/ EAST)</b>				
Beau Champ	D&E	---	D	---
Constance	D&E	---	D	---
FUEL	D&E	---	D	---
Mon Desert Alma	D&E	---	D	---
Highlands	D&E	---	D	---
Reunion	D&E	---	D	---
<b>OMNICANE (SOUTH)</b>				
Britannia	D&E	---	D	---
Mon Trésor	D&E	---	D	---
Riche-en-Eau	D&E	---	D	---
Rose-Belle	D&E	---	D	---
Savannah	D&E	---	D	---
St Félix	D&E	---	D	---
Union St. Aubin	D&E	---	D	---
<b>MEDINE (WEST)</b>				
Médine	D&E	---	---	---

C: Cyclone

D: Drought

E: Excessive Rainfall

<sup>1</sup> Following Actuarial Review 2017, the basis for Declaration of Event Year was set at 20% crop reduction at EFA level by planter grouping as from Crop 2018.

<sup>2</sup> Following Actuarial Review 2019, the basis for Declaration of Event Year was set at 20% crop reduction at Island Area level by planter grouping as from Crop 2021.

**Table V: Credit Co-operative Societies, Crop 2021**

ENLARGED FACTORY AREA	Planters	Area Harvested	Cane Weight	Sugar Accrued	Insurable Sugar	General Premium	Fire Premium	General Compensation
	(Count)	(Hectares)	(Tonnes)	(Tonnes)		(Rupees)		
TERRA	1,076	1,225	80,237	6,059	7,064	6,408,247	177,843	----
ALTEO	3,021	2,909	192,004	13,341	13,548	19,260,912	285,887	----
OMNICANE	1,649	1,685	104,782	7,712	7,704	10,698,549	163,412	----
<b>ISLAND</b>	<b>5,746</b>	<b>5,818</b>	<b>377,022</b>	<b>27,111</b>	<b>28,316</b>	<b>36,367,708</b>	<b>627,142</b>	<b>----</b>

**Table VI: Millers, Crop 2021**

ENLARGED FACTORY AREA	Sugar Accrued	Insurable Sugar	General Premium	Fire Premium	General Compensation
	(Tonnes)		(Rupees)		
TERRA	16,009	19,832	16,867,508	664,515	----
ALTEO	21,534	24,347	32,003,050	781,050	----
OMNICANE	18,664	21,948	28,917,126	659,445	----
<b>ISLAND</b>	<b>56,207</b>	<b>66,127</b>	<b>77,787,684</b>	<b>2,105,010</b>	<b>----</b>

**Table VII: Area Harvested & Cane Weight, Crop 2021**

ENLARGED FACTORY AREA		GROWING UNIT PLANTERS							TOTAL GROWING UNIT PLANTERS	LARGE PLANTERS Above 300 Ha	GRAND TOTAL
		Up to 0.49 Ha	0.5 to 0.99 Ha	1 to 1.99 Ha	2 to 4.99 Ha	5 to 9.99 Ha	10 to 99.99 Ha	100 to 299.99 Ha			
TERRA	Area Harvested (Hectares)	299	326	382	488	280	312	939	<b>3,026</b>	7,722	<b>10,748</b>
	Cane Weight (Tonnes)	20,029	21,726	25,844	32,442	15,599	20,335	44,726	180,700	541,863	<b>722,563</b>
ALTEO	Area Harvested (Hectares)	623	1,038	1,051	1,257	686	221	--	<b>4,877</b>	11,113	<b>15,990</b>
	Cane Weight (Tonnes)	41,145	66,008	66,691	80,384	40,853	12,701		307,781	747,163	<b>1,054,944</b>
OMNICANE	Area Harvested (Hectares)	447	509	481	681	332	454	894	<b>3,798</b>	9,106	<b>12,908</b>
	Cane Weight (Tonnes)	31,082	30,543	30,187	41,651	20,058	29,310	52,989	235,820	656,340	<b>892,160</b>
ISLAND	<b>Area Harvested (Hectares)</b>	<b>1,370</b>	<b>1,874</b>	<b>1,913</b>	<b>2,426</b>	<b>1,299</b>	<b>987</b>	<b>1,833</b>	<b>11,702</b>	<b>27,940</b>	<b>39,642</b>
	<b>Cane Weight (Tonnes)</b>	<b>92,256</b>	<b>118,278</b>	<b>122,722</b>	<b>154,477</b>	<b>76,510</b>	<b>62,345</b>	<b>97,714</b>	<b>724,301</b>	<b>1,945,366</b>	<b>2,669,667</b>



**Table VIII: Number of Insureds, Sugar Produced & Insurable Sugar, Crop 2021**

ENLARGED FACTORY AREA		GROWING UNIT PLANTERS							TOTAL GROWING UNIT PLANTERS	LARGE PLANTERS Above 300 Ha	MILLERS	GRAND TOTAL
		Up to 0.49 Ha	0.5 to 0.99 Ha	1 to 1.99 Ha	2 to 4.99 Ha	5 to 9.99 Ha	10 to 99.99 Ha	100 to 299.99 Ha				
TERRA	Number of Insureds	1,234	461	280	166	41	13	5	2,200	4	1	<b>2,205</b>
	Sugar Accrued (Tonnes)	1,479	1,599	1,901	2,406	1,202	1,589	3,577	13,753	43,101	16,009	<b>72,863</b>
	Insurable Sugar (Tonnes)	1,727	1,882	2,200	2,812	1,560	1,800	5,665	17,647	52,784	19,832	<b>90,262</b>
ALTEO	Number of Insureds	2,493	1,406	764	424	98	15	--	5,200	7	1	<b>5,208</b>
	Sugar Accrued (Tonnes)	2,862	4,496	4,592	5,641	2,898	920	--	21,409	54,453	21,534	<b>97,396</b>
	Insurable Sugar (Tonnes)	2,903	4,836	4,896	5,844	3,163	1,069	--	22,710	63,612	24,347	<b>110,670</b>
OMNICANE	Number of Insureds	1,692	712	345	221	48	23	5	3,046	9	1	<b>3,056</b>
	Sugar Accrued (Tonnes)	2,278	2,226	2,201	3,038	1,485	2,209	3,803	17,241	50,991	18,664	<b>86,896</b>
	Insurable Sugar (Tonnes)	2,042	2,329	2,198	3,122	1,462	2,512	5,403	19,068	58,965	21,948	<b>99,980</b>
ISLAND	Number of Insureds	<b>5,419</b>	<b>2,579</b>	<b>1,389</b>	<b>811</b>	<b>187</b>	<b>51</b>	<b>10</b>	<b>10,446</b>	<b>20</b>	<b>3</b>	<b>10,469</b>
	Sugar Accrued (Tonnes)	<b>6,619</b>	<b>8,321</b>	<b>8,695</b>	<b>11,085</b>	<b>5,586</b>	<b>4,718</b>	<b>7,380</b>	<b>52,404</b>	<b>148,545</b>	<b>56,207</b>	<b>257,155</b>
	Insurable Sugar (Tonnes)	<b>6,673</b>	<b>9,047</b>	<b>9,295</b>	<b>11,778</b>	<b>6,184</b>	<b>5,381</b>	<b>11,067</b>	<b>59,425</b>	<b>175,360</b>	<b>66,127</b>	<b>300,912</b>

**Table IX: General Premium & Compensation, Crop 2021**

ENLARGED FACTORY AREA		GROWING UNIT PLANTERS							TOTAL GROWING UNIT PLANTERS	LARGE PLANTERS Above 300 Ha	MILLERS	GRAND TOTAL
		Up to 0.49 Ha	0.5 to 0.99 Ha	1 to 1.99 Ha	2 to 4.99 Ha	5 to 9.99 Ha	10 to 99.99 Ha	100 to 299.99 Ha				
TERRA	General Premium (Rs)	1,468,523	1,669,504	1,954,449	2,539,523	1,414,735	1,632,835	5,138,389	<b>15,817,958</b>	51,763,980	16,867,508	<b>84,449,446</b>
	General Compensation (Rs)	--	--	--	--	--	--	--	--	--	--	--
ALTEO	General Premium (Rs)	3,868,571	6,742,848	6,847,033	8,251,886	4,496,321	1,509,302	--	<b>31,715,961</b>	87,474,892	32,003,050	<b>151,193,903</b>
	General Compensation (Rs)	--	--	--	--	--	--	--	--	--	--	--
OMNICANE	General Premium (Rs)	2,688,649	3,156,264	2,994,253	4,292,280	2,029,756	3,334,302	7,198,965	<b>25,694,469</b>	79,447,069	28,917,126	<b>134,058,664</b>
	General Compensation (Rs)	--	--	--	--	--	--	--	--	--	--	--
ISLAND	<b>General Premium (Rs)</b>	8,025,743	11,568,616	11,795,735	15,083,689	7,940,812	6,476,439	12,337,354	<b>73,228,388</b>	<b>218,685,941</b>	<b>77,787,684</b>	<b>369,702,013</b>
	<b>General Compensation (Rs)</b>	--	--	--	--	--	--	--	--	--	--	--

**Table X: Past Years Data (2011 – 2021)**

Crop Year	Insureds	Area Harvested	Canes Milled	Sugar Accrued	Insurable Sugar	General Premium	General Compensation	Financial Assistance	Crop Reduction
	(Number)	(Hectares)	(Tonnes)			(Rupees Thousands)			%
2011	18,816	55,777	4,230,173	439,406	481,003	170,266 <sup>3</sup>	191,283	-	9%
2012	17,546	53,428	3,947,285	412,876	462,114	288,595	-	-	11%
2013	16,533	52,312	3,815,782	408,536	447,550	265,733	-	-	9%
2014	14,925	49,791	4,044,421	404,146	424,715	- <sup>4</sup>	-	900,963	4.8%
2015	14,575	51,694	4,009,232	369,531	442,394	- <sup>5</sup>	406,905	413,372	16.5%
2016	13,733	50,990	3,798,657	389,238	437,279	230,133	-	-	11.0%
2017	12,630	48,857	3,713,331	357,702	422,779	188,767	468,460	446,809	15.4%
2018	12,888	47,181	3,154,516	325,980	393,784	110,921	298,169	752,848	17.2%
2019	11,811	44,519	3,405,250	333,192	369,771	130,769	-	-	9.9%
2020	11,421	41,793	2,620,121	272,348	342,741	140,847	427,776	-	20.5 %
2021	10,469	39,642	2,669,667	257,155	300,912	369,702	-	-	14.5%

<sup>3</sup> 70% discount on general premium

<sup>4</sup> 100% discount on general premium

<sup>5</sup> 100% discount on general premium



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