



**Sugar Insurance Fund Board**

# **ANNUAL REPORT**

**2022 - 2023**



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## CHAIRMAN's LETTER

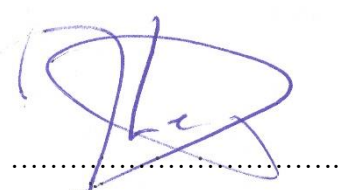
The Honourable Mahen Kumar **SEERUTTUN**  
Minister of Agro Industry and Food Security  
9<sup>th</sup> floor, Renganaden Seeneevassen Bldg  
Port Louis

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 2023 to be laid before the National Assembly.

The Annual Report was approved by the SIFB on 25<sup>th</sup> April 2024.

Yours faithfully

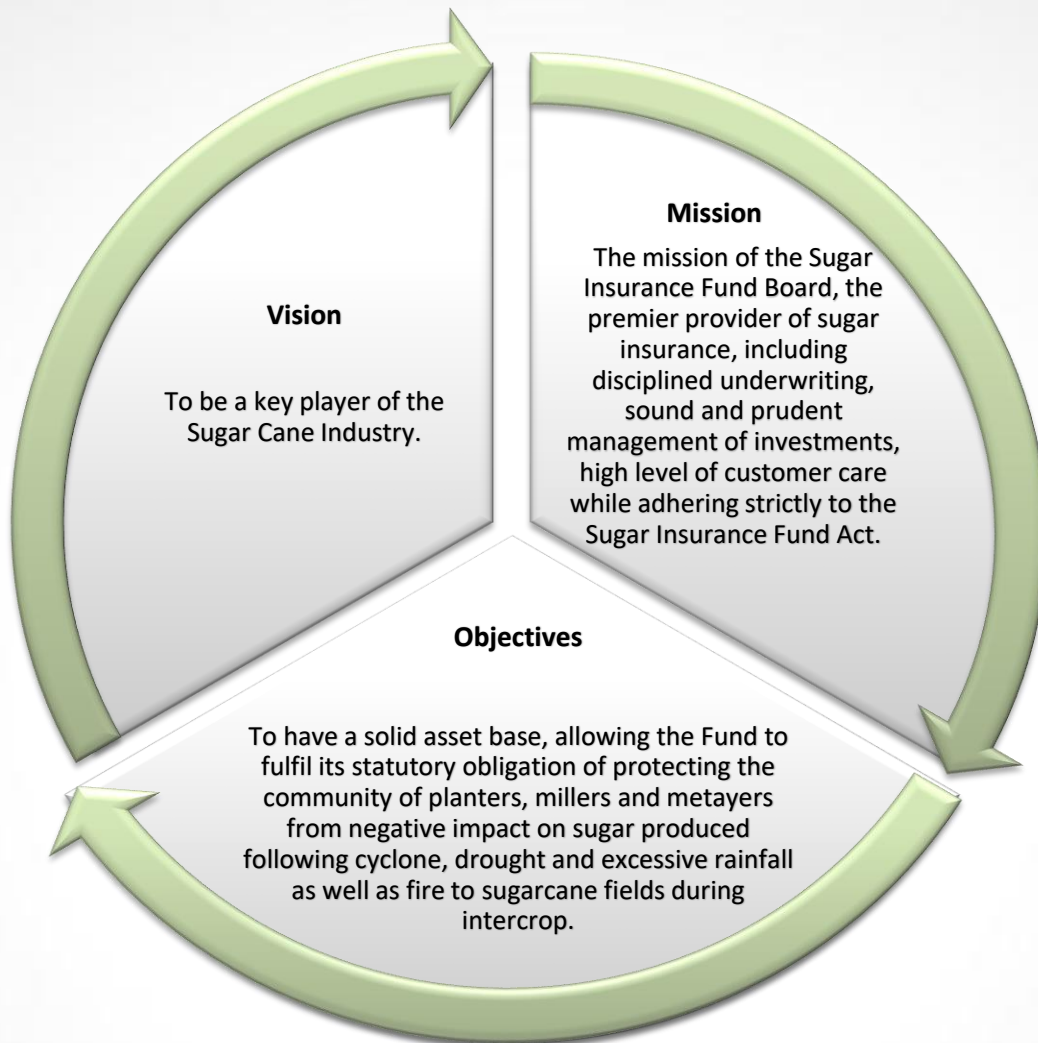


.....  
Chairman  
Sugar Insurance Fund Board

**Date: 9 May 2024**

## CORPORATE PROFILE

### Mission, Vision and Objectives



## CORPORATE INFORMATION

### Head Office



**18 Sir Seewoosagur Ramgoolam Street  
Port Louis  
Tel: 260 4700  
Fax: 208-2634  
E-Mail: [sifb@sifbmu.org](mailto:sifb@sifbmu.org)  
Website: [www.sifb.mu](http://www.sifb.mu)**

### Auditor



**National Audit Office**

### Legal Advisor



**State Law Office**

### Main banker



**State Bank of Mauritius**

## CHAIRMAN'S REPORT

On behalf of the Board, I am pleased to present the Annual Report of the Sugar Insurance Fund Board (SIFB) for the Financial Year ending 30 June 2023.

The Annual Report which includes the Corporate Governance Report and the Audited Financial Statements was approved by the Board on 28 September 2023.

During this financial year, SIFB continued its strategy of strengthening the governance structure throughout the organization, improving its operations, IT infrastructure, work environment and customer service. After 3 consecutive years of automatic renewal, we have carried out a one-stop shop registration with all planters for Crop 2023. The total number of registered planters stood around 8961 with a total of about 38,729 hectares of land under sugar cane plantations for crop 2023. Crop 2022 reported in this financial year was not declared an event year. The amount of sugar produced for Crop 2022 was 233,999 tonnes.

Climatic changes pose an increasing frequency and severity of natural calamities (cyclones, floods and drought) affecting our agricultural landscape, mainly sugar cane plantations which could lead to recurrent compensations to planters. Conscious to maintain a sound and robust financial base, different investment avenues with high yields and minimal risks are being looked into to increase the revenue of the Fund. The services of SICOM Management Ltd have been retained to develop an enhanced Investment Risk Management Policy and Guidelines, a Capital Management Policy and an Enterprise Risk Management Policy.

Investment in technology and innovation using Artificial Intelligence is high on our agenda in order to reduce costs, increase efficiency and improved service to our stakeholders. In its quest to keep abreast of latest technology, the SIFB is working with a foreign firm, Precifield, on a Satellite Imagery/Drone Project to substitute the traditional, labor-intensive and time-consuming rounds of sugar cane plantations inspections and providing timely crop data. A pilot project is underway with some preliminary conclusive results. SIFB is highly dependent on Information Technology (IT) for support in its critical business functions and in day-to-day operations. The services of BDO IT Consulting have been retained for a review of the IT environment and development and implementation of an up-to-date operating system to meet its present and future operational requirements.

Concerned with an ageing staff throughout different departments, an audit of the organizational structure has been carried out. In order to meet its future challenges, a road map has been put in place for the recruitment of personnel in different areas of operations and also for succession planning in order to build a sustainable workforce to support the operational and strategic objectives and capacity building. We also believe that a pro-active Health & Safety culture is an important element for our success and wellbeing of our employees. There is a continuous review and improvement of Health & Safety performance through measures in compliance with the Occupational Safety and Health Act 2005.

Primarily, I wish to express my thanks to my fellow Directors for their support and involvement in the affairs of SIFB, the Officer in Charge, the management team and dedicated employees for their contributions and hard work. I would like to acknowledge the valuable contributions of Messrs Medha Gunputh and Devendra Nath Busgeeth our outgoing Board members and welcome Mrs Moheenee Nathoo and Mr Sunil Santbakhsingh as our new Board members and look forward to their valuable insights. On behalf of the Board, I would like to express our appreciation to all those who have contributed in the affairs of the institution, namely 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.

**Chaitanand JHEENGUN**  
**Chairman**



## OFFICER- IN- CHARGE's REPORT

The Fund experienced growth on both the financial performance and financial position fronts for the year ended 30 June 2023; resulting mainly from the implementation of the new insurance terms effective as from crop 2021, coupled with unprecedented high sugar price for insurance purposes positively impacting the general insurance premium receivable for the year. It is however prudent to point out that high sugar prices for insurance purposes is a double-edged sword as it also has an adverse impact on the Maximum Probable Loss for a crop; this being a major parameter for determining the Solvency Capital Requirement of the Fund, thus a need for cautious interpretation of the financials of the Fund.

At all levels of the Fund, we understand our responsibilities towards our Insureds and we stood by their side during hardship situations by doing the extra miles to support the industry over and above our legal obligations of compensating our Insureds as per provisions of the law. Though our precarious situation of long term insolvency showed some good signs of recovery, we are still at a juncture that requires the Fund to further breathe and regain strength. The extreme climatic conditions experienced in the recent past over different regions of the globe further necessitates a more prudent approach in managing the Fund, bearing in mind the very essence of its existence and the un-predictive nature of its liabilities.

With a view to ensure succession planning and transfer of knowledge & experience from our existing employees to the newer generation, particularly in view of the uniqueness of our activities which require hands-on experience acquired internally, procedures have been initiated to recruit both at operational and administrative level. To further achieve operational efficiency, the Fund also initiated procedures to revamp its whole Information Technology infrastructure including the network architecture.

The pilot "Satellite Imagery project" enunciated last year is basically in two phases and aims firstly to use Artificial Intelligence & Deep learning tools to develop algorithms to complement manual field inspection activities and secondly to explore the possibility of developing a digitised cartography of plots under cane cultivation using satellite imagery with an acceptable level of precision. The project being fairly new to all parties involved is paving its way and once concluded, necessary procedures will be initiated for its replication to the whole island.

The key highlights from the financial statements for the year ended 30 June 2023 includes a total surplus of some MUR 508 million, total assets valued at some MUR 5.15 Billion; resulting in an increase of some MUR 505 million (in total assets) compared to the last reporting and a corresponding increase in net assets of some 12.5%.

I express my appreciation and gratitude to the Board of Directors for their trust and guidance, my staff for their continued dedication and hard work, the staff of the Parent Ministry for their support, the different institutions falling under the umbrella of the MCIA and last but not least, my sincere thank also goes to all partners and stakeholders of the sector for their collaboration.

**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 2022 HIGHLIGHTS

### 1. Registration of Factories and Plantations

- 1.1 Under the Quarantine Act 2020, the quarantine period was extended by the Ministry of Health & Wellness from 31 December 2021 up to 30 June 2022. Therefore, 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 2022.
- 1.2 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 2022 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 2022 harvest season.
- 1.3 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. Registration cards were posted to all growing unit planters who were advised to inform the Board of any changes thereto.
- 1.4 For Crop 2022, the total number of registered accounts of planters stood at 10,842.

### 2. Crop Harvest & Milling Operations

- 2.1 The total area under cane plantation (plant, virgin and ratoon canes) stood at **42,134** hectares for Crop 2022. Crop 2022 witnessed an effective drop in extent under cane of **2,386** 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.

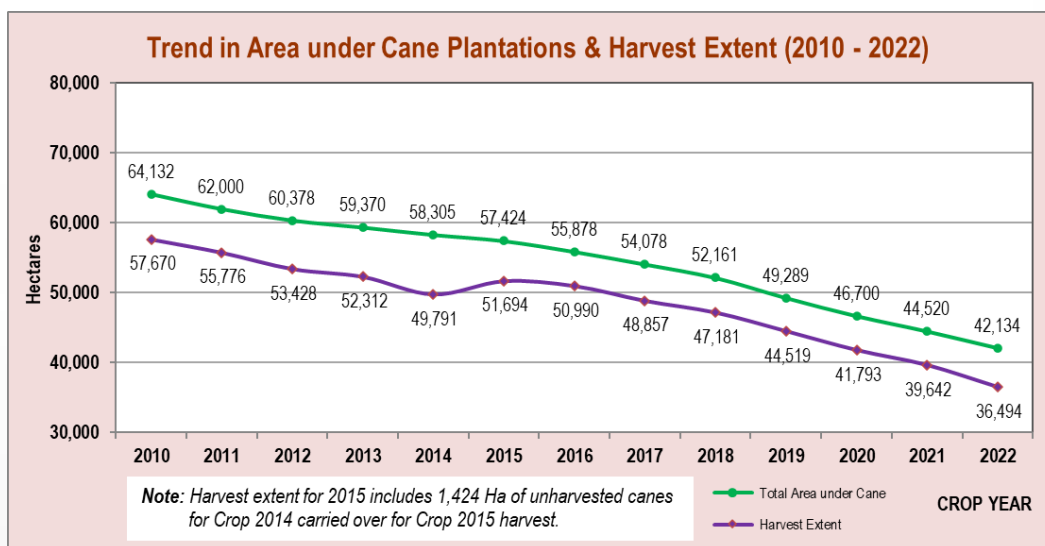
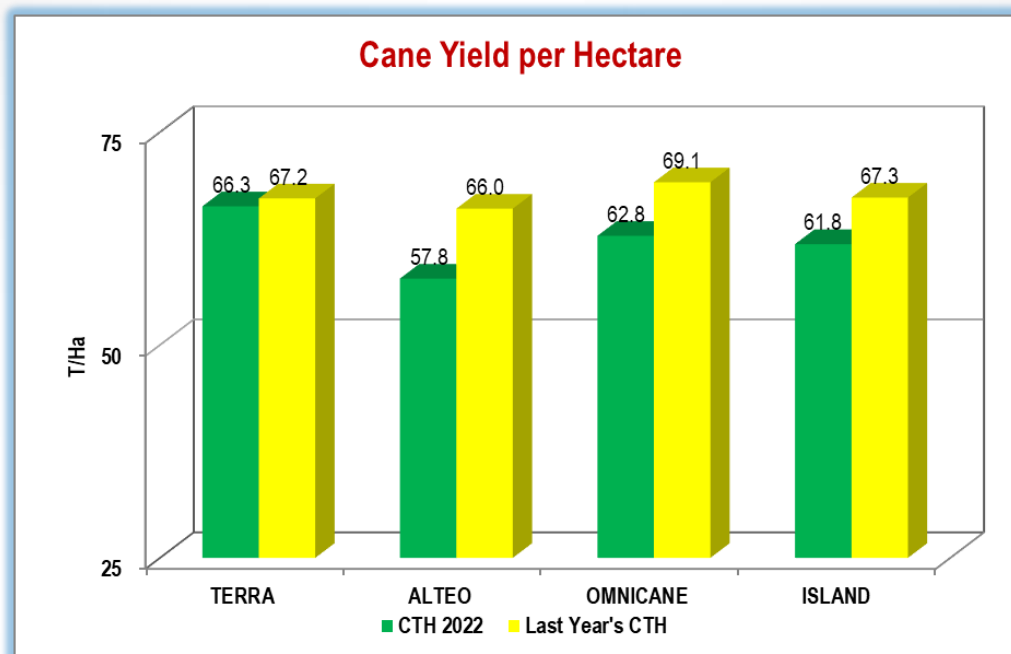


Figure 1

- 2.2 Milling operations for Crop 2022 first started at ALTEO factory on the 18<sup>th</sup> June 2022 and ended at TERRA and ALTEO sugar factories on 06<sup>th</sup> December 2022.
- 2.3 The total area harvested for Crop 2022 for milling purposes stood at **36,494** hectares as compared to 39,642 hectares for Crop 2021. The highest harvest extent is seen in ALTEO enlarged factory area with 14,233 hectares under cane harvested for milling whilst TERRA enlarged factory area had the lowest (10,390 Ha).
- 2.4 The highest cane yield per hectare recorded at enlarged factory level is 66.3 T/Ha for TERRA, whilst ALTEO had the lowest cane yield (57.8 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	10,390	688,610	66.3
ALTEO	14,232	822,516	57.8
OMNICANE	11,872	745,680	62.8
<b>TOTAL</b>	<b>36,494</b>	<b>2,256,806</b>	<b>61.8</b>



**Figure 2**

### 3. Sugar Production

- 3.1 For Crop 2022, the total tonnage of canes harvested and sent to mills for sugar production island-wide by planters was **2,256,806** tonnes, as compared to 2,669,667 tonnes for the previous crop season.
- 3.2 For Crop 2022, the amount of sugar produced at 98.5° pol was **233,999** tonnes as compared to 257,155 tonnes manufactured in 2021.
- 3.3 Island average sugar extracted per tonne of cane for Crop 2022 was **10.37%** at 98.5° pol as compared to 9.63% in 2021, an increase by 0.74 percent. The highest sugar extraction per tonne cane was recorded at TERRA (11.14%) and the lowest at ALTEO (9.63%).

**Table 2 – Final Sugar Extraction**

ENLARGED FACTORY	Crop 2022	Crop 2021
TERRA	11.14%	10.08%
ALTEO	9.63%	9.23%
OMNICANE	10.47%	9.74%
<b>ISLAND AVERAGE</b>	<b>10.37%</b>	<b>9.63%</b>

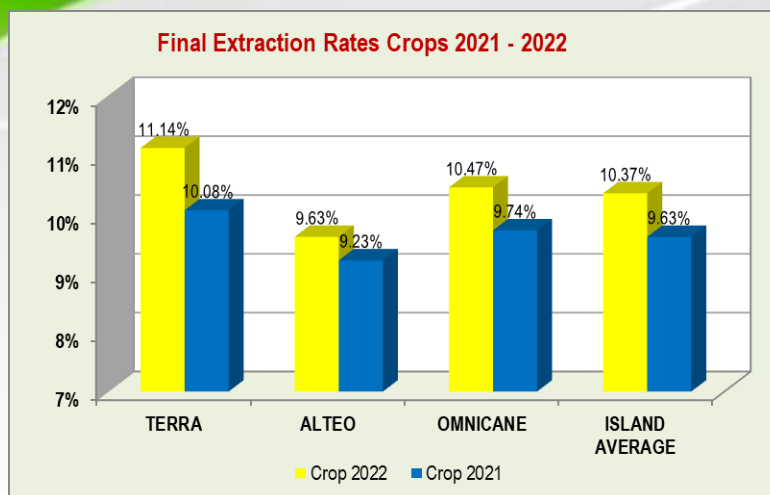


Figure 3

#### 4. Number of Sugar Producers

The total number of insured accounts for Crop 2022 stood at **9,786** compared to 10,469 for the previous year. However, the total number of sugar producers for Crop 2022 stood at **8,961** as compared to 9,654 for Crop 2021. This consists of:

- (i) **8,958 planters/ métayers** having consigned canes for milling (as compared to 9,651 for Crop 2021); 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. General Insurance

##### 5.1 Sugar Price for Insurance Purposes

5.1.1 In accordance with Section 47 of the Sugar Insurance Fund Act, the sugar price for insurance purposes in respect of Crop Year 2022 was determined at the rates of:

- (i) **Rs. 21,917** per metric ton of sugar for the growing side, inclusive of added value of molasses.
- (ii) **Rs. 21,000** per metric ton of sugar for milling side.

5.1.2 These rates were published under General Notice No. 7 of 2023 in the Government Gazette.

##### 5.2 Declaration of Event Year

5.2.1 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 2022, the prescribed percentage was 80% and the prescribed area was categorised in two groups, namely (i) planters and métayers of all the Growing Units in the island of Mauritius and (ii) all the large planters cultivating sugar cane on at least 300 Ha in the island of Mauritius.

5.2.2 Since none of the two groups of planters has its Total Sugar Accruing being 80% or less than the Total Insurable Sugar i.e. a crop loss percentage of at least 20%, no declaration of event year was warranted with respect to Crop 2022.

##### 5.3 General Assessment

5.3.1 For Crop Year 2022, the total amount of sugar accruing was 233,999 tonnes against a final Total Insurable Sugar of 270,245 tonnes for all insureds, i.e. a crop reduction of 13.4% island-wide.

- 5.3.2 The General Premium Income (GPI) receivable for the year was **Rs 438 Million** from all insureds, inclusive of a Government grant of Rs 70 Million for reduced general premiums in favour of small planters/métayers having not more than 60 T of sugar accrued for Crop Year 2022.
- 5.3.3 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.

#### 5.4 Premium Waiver

In line with Paragraph 64 (b) of the 2022-2023 Budget Speech and section 51 of the Sugar Insurance Fund Act, the premiums for crop 2022 for small planters/métayers having not more than 60 T of sugar accrued was paid in full from the Consolidated Fund to the SIFB for a total amount of Rs 71.2 Million in respect of both general and fire insurance premiums.

### 6. Fire Insurance

#### 6.1 Inter-crop Fire 2022

- 6.1.1 For Crop 2022, the total number of compensated fire cases caused by inter-crop fire was **38** representing a total extent of **99.344** hectares of canes destroyed island-wide.
- 6.1.2 An increase in compensable cases has been observed compared to Crop 2021 which stood at 32 eligible insureds for a total extent of 92 hectares. However, the inter-crop fire compensation paid amounted to **Rs 4.04 M**, compared to Rs 4.2 M for Crop 2021.
- 6.1.3 The number of compensable fire cases was more prominent in the South sector of the island.

#### 6.2 Fire during Harvest 2022

- 6.2.1 The number of fire occurrences during harvest season was observed to be more prominent in the South sector of the island.
- 6.2.2 A total amount of **Rs 0.23 M** was disbursed to **11** 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 1.5 M for the last harvest season.

#### 6.3 Fire Insurance Account

- 6.3.1 The loss ratio under the Fire insurance Account for Crop 2022 was **49%**, representing an island-wide compensation of **Rs 4.3 M** against an island-wide premium of **Rs 8.7 M**, inclusive of a Government grant of **Rs 0.88 M** for reduced fire premiums in favour of small planters/métayers having not more than 60 T of sugar accrued for Crop Year 2022.
- 6.3.2 As a result of the claims experience with respect to Crop 2022, the balance in the Fire Fund has increased from Rs 6.0 M as at 30 June 2022 to **Rs 10.0 M** as at 30 June 2023.

## CORPORATE GOVERNANCE REPORT

Corporate governance is the system by which organisations are directed and controlled. The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the organization.

The Board of Directors of the Fund (the 'Board') 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 collectively accountable for the performance, long-term success, and governance of the Fund.

The Board recognizes its responsibility for applying and implementing the eight principles set out in the National Code for Corporate Governance of Mauritius (2016) (the 'Code') as explained in appropriate sections of the Report

### Principle 1: Governance Structure

#### Board Structure

The Sugar Insurance Fund is a Public Interest Entity ('PIE') under the Financial Reporting Act 2004, and operates under the aegis of the Ministry of Agro Industry and Food Security.

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.

#### Composition of 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 at (e), (f) and (g) 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.

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

The Board is dedicated to continuously foster a corporate culture that emphasizes good corporate governance.

The Board of the SIF has the following main functions:

- Provide effective leadership and guidance in developing and maintaining an organization structure to support the achievement of agreed strategic objectives.
- Maintain and implements risk management policies and internal compliance and control systems which are based on best practices.
- Ensure effective communication with stakeholders.
- Ensure that the Fund complies with all relevant laws, regulations and codes of best business practice.

## 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.

## Governance Documents

SIFB's governance documents are summarized below and are available for consultation on the Fund's website.

Documents	Brief Description
<b>Board Charter</b>	The Charter details amongst others, the framework for the composition, responsibilities, duties, procedures, powers, authority and accountability of the Board of Directors of the SIF.
<b>Corporate Objectives Statement</b>	This statement include, among others, the vision, mission and values of the organisation; value drivers; a statement on the behaviour of stakeholders; a statement of accountability by the Board; and expectations of the financial as well as the non-financial performance for the year.



<b>Code of Ethics and Conduct for Directors of the Board</b>	The code sets out the ethical principles the Institution endorses and the standards that are expected of its directors both individually and collectively.
<b>Code of Ethics and Conduct for SIFB Officers and Employees</b>	The code represents a framework of ethical standards that requires SIFB Officers and Employees to comply with predefined codes of conduct and demonstrate the highest standards of integrity and professionalism.
<b>Risk Management Policy</b>	This policy provides amongst others, a framework for identification and management of risk and the processes in place for mitigating same.
<b>Conflicts of Interest and Related Transactions Policy</b>	This Policy provides the framework for the Sugar Insurance Fund Board (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 Fund will also be developing a Position Statement for the Chairperson of the Board, the CEO and the Board Secretary.

The Board of SIF has approved that a Corporate Governance Review be carried out at the SIFB by the Office of Public Sector Governance. The broad terms of reference of the review shall include:

- (i) to review the Manuals/Standard Operating Procedures (SOPs) developed and the processes for Finance, Procurement, Investment, Information Technology, Operations, Human Resources and Internal Audit and ensure compliance.
- (ii) to assess the level of compliance with the National Code of Corporate Governance for Mauritius (2016) by the SIFB; and
- (iii) to propose recommendations for improvement

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

### **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 ultimately responsible for accountability and performance of the institution.

The Sugar Insurance Fund has a Unitary Board, headed by a Chairperson with ten members.

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

<b>Mr Chaitanand Jheengun</b>	Chairperson
<b>Mr Medha Gunpath</b>	Representative of Ministry of Agro Industry & Food Security (up to 1 March 2023)
<b>Mrs Moheenee Nathoo</b>	Representative of Ministry of Agro Industry & Food Security (as from 30 March 2023)
<b>Mr Vikraj Ramkelawon</b>	Representative of Ministry of Finance & Economic Planning and Development
<b>Mr Devendra Nath Busgeeth</b>	Representative of the Control and Arbitration Department of the Mauritius Cane Industry Authority (up to 15 April 2023)
<b>Mr Sebastien Mamet</b>	Representative of Mauritius Chamber of Agriculture
<b>Mr Pramanund Newoor (MSK)</b>	Representative of Planters
<b>Mr Madhoosoodhun Motah (MSK)</b>	Representative of Planters
<b>Mr Jugdutt Rampersad (OSK)</b>	Representative of Planters
<b>Mr Kumar Khelawon</b>	Representative of Planters
<b>Mr Jean Li Yuen Fong</b>	Representative of Millers
<b>Mr Satish Purmessur</b>	Representative of Mauritius Cane Industry Authority

## PROFILE OF BOARD MEMBERS

### CHAIRPERSON



#### **MR CHAITANAND (Rishi) JHEENGUN**

Born in 1960, Mr 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 started his career in the public service in 1982 as Customs Excise Officer at the Customs & Excise Department, Ministry of Finance. He took employment in 1990 with 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 SEM until 2018. He was also Head of the Trading & Market Information Department, Compliance Officer and Money Laundering Officer and member of the Listing Executive Committee of SEM until February 2022. He is presently the Company Secretary of the Central Depository & Settlement Co Ltd and Director of SICOM. Mr C. Jheengun is also a member of the ICSA – Mauritius Branch.

### REPRESENTATIVE OF MINISTRY OF AGRO INDUSTRY & FOOD SECURITY



#### **MR MEDHA GUNPUTH**

(up to 1 March 2023)

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

Mr. M. Gunputh 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 also occupied the post of Senior Chief Executive at the Ministry of Agro Industry and Food Security and at the Ministry of Industrial Development, SME's and Cooperatives. Mr. M. Gunputh has served as Chairperson and Member to several Statutory Bodies and Committees.



#### **MRS MOHEENEE NATHOO**

(as from 30 March 2023)

Born in 1960, Mrs Moheene Nathoo holds a Diploma in Public Administration and Management (University of Mauritius), a B.A (Hons) in Economics with Management Studies (Napier University, Scotland), a Masters in Public Policy and Administration (University of Mauritius) and a Diplôme du Cycle Internationale d'Administration Publique (L'Ecole Nationale d'Administration) France.

In 1981, Mrs M. Nathoo started her career in the Civil Service as Clerical Officer and worked at the Electoral Commissioner's Office. In 1986, she was posted as Executive officer at the Ministry of Commerce and Consumer Protection. In 1991, she occupied the post of Administrative Secretary at the Ministry of Finance and Economic Planning and Development. She also served as Deputy Permanent Secretary in several Ministries namely the Ministry of Energy and

Public Utilities, the Ministry of Agro-Industry and Food Security and the Ministry of Gender Equality, Child Development and Family Welfare.

In August 2020, Mrs M. Nathoo was posted as Permanent Secretary at the Ministry of Land Transport, and Light Rail and at the Ministry of Environment, Solid Waste Management and Climate Change. Mrs M. Nathoo is presently the Senior Chief Executive at the Ministry of Agro-Industry and Food Security

#### **REPRESENTATIVE OF MINISTRY OF FINANCE & ECONOMIC PLANNING AND DEVELOPMENT**



##### **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.

#### **REPRESENTATIVE OF THE CONTROL AND ARBITRATION DEPARTMENT OF THE MAURITIUS CANE INDUSTRY AUTHORITY**



##### **MR. DEVENDRA NATH BUSGEETH**

(up to 15 April 2023)

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

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

#### **REPRESENTATIVE OF MAURITIUS CHAMBER OF AGRICULTURE**



##### **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.

## REPRESENTATIVE OF PLANTERS



### **MR. PRAMANUND NEWOOR (M.S.K)**

Born in 1958, Mr Pramanund Newoor is presently Advisor to the Minister of Blue Economy, Marine Resources, Fisheries and Shipping. He is also a Director of M.S.S Multipurpose Cooperative Society Ltd.

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 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 M. 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 J. 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 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.

### **REPRESENTATIVE OF MILLERS**



### **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.

Mr. J.L. Y. Fong is also the Chairperson of the Regional Training Centre and a Director (non-executive) of Capital Horizon Ltd.

### **REPRESENTATIVE OF MAURITIUS CANE INDUSTRY AUTHORITY**



### **MR SATISH PURMESSUR**

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

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

## Board and Sub Committees

The Board itself constituted under section 5 of the SIF Act and the Investment Committee under section 10 of the SIF Act, the Board has set up different Board Committees to competently advance the business of the board and to better carry out its stewardship and fiduciary responsibilities. Each Board Committee operates under defined Terms of Reference which are available on the website of the Fund.

The Board Committees are advisory in nature and all deliberations are submitted to the Board for approval. 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.

Thirteen (13) Board of Directors meetings were held during period 1 July 2022 to 30 June 2023. The following table shows the attendance at the Board of Directors Meetings.

Names	Board of Directors Meeting
Mr C. Jheengun (Chairman)	12
Mr M. Gunpath (up to 1 March 2023)	8
Mrs M. Nathoo (as from 30 March 2023)	3
Mrs G. Ramnauth (Alt Member)	1
Mr V. Ramkelawon	12
Mr D. Busgeeth (up to 15 April 2023)	9
Mr P. Newoor (MSK)	10
Mr M. Motah (MSK)	12
Mr K. Khelawon	10
Mr J. Rampersad (OSK)	9
Mr S. Mamet	9
Mr J. Li Yuen Fong	12
Mr S. Purmessur	13

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

	July 2022 to June 2023
Corporate Governance Committee	2
Assessment Committee	1
Audit & Risk Management Committee	4
Staff Committee	2
Investment Committee	2
Finance Committee	4
Information Technology Steering Committee	3

### Corporate Governance Committee

The Corporate Governance Committee has main function is to ensure that the Fund is in compliance, as far as applicable, with 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.

Corporate Governance Committee
Mr Medha Gunpath ( <i>Chairperson up to 1 March 2023</i> )
Mrs Moheene Nathoo ( <i>Chairperson as from 30 March 2023</i> )
Mr Vikraj Ramkelawon
Mr Sebastien Mamet
Mr Satish Purmessur

### 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 of Assessment Committee
Mr Satish Purmessur (Chairperson)
Mr Devendra Nath Busgeeth ( <i>member up to 15 April 2023</i> )
Mr Pramanund Newoor
Mr Jugdutt Rampersad

### Investment Committee

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

Composition of Investment Committee
Mr Medha Gunpath (Chairperson up to 1 March 2023)
Mr Vikraj Ramkelawon
Mr Sebastien Mamet
Mr Satish Purmessur
Mr Jugdutt Rampersad

### 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 of Audit & Risk Management Committee**

Mr Sebastien Mamet (Chairperson)

Mr Vikraj Ramkelawon

Mr Jean Li Yuen Fong

Mr Kumar Khelawon

### **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 of Staff Committee**

Mr Medha Gunpath (*Chairperson up to 1 March 2023*)

Mrs Moheenee Nathoo (*Chairperson as from 30 March 2023*)

Mr Vikraj Ramkelawon

Mr Madhoosoodun Motah

Mr Pramanund Newoor

### **Finance Committee**

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

### **Composition of Finance Committee**

Mr Vikraj Ramkelawon (Chairperson)

Mr Devendra Nath Busgeeth (*member up to 15 April 2023*)

Mr Madhoosoodun Motah

Mr Kumar Khelawon

Mr Jean Li Yuen Fong

### **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 of Information Technology Steering Committee**

Mr Vikraj Ramkelawon (Chairperson)

Mr Jean Li Yuen Fong

Mr Chaitanand Jheengun

Mr Sebastien Mamet

## **Management Team**

Officer in Charge / Chief Finance Officer	Mr Gaoutam Gooroochurn	<ul style="list-style-type: none"><li>• FCCA</li><li>• MBA</li><li>• Member of the Mauritius Institute of Professional Accountants</li></ul>
Chief Operations Officer	Mr Yungkiong Jimmy Newkfonheytow	<ul style="list-style-type: none"><li>• BSc in Computer Science</li><li>• Associate Member of the Society of Actuaries, North America</li></ul>
Senior Software Engineer	Mr Mohamed Yashin Mohamed Areff Fareed Esmael Peermamode	<ul style="list-style-type: none"><li>• Diploma in Information Technology</li></ul>
Administrative Secretary	Mrs Baneeta Ramdhony	<ul style="list-style-type: none"><li>• BSc (Hons) in Public Administration and Management</li><li>• MBA</li></ul>
Internal Auditor	Mr Mohammad Ameen Ishack Noormahomed	<ul style="list-style-type: none"><li>• BSc (Hons) in Economics &amp; Accountancy</li><li>• FCCA</li><li>• Member of the Mauritius Institute of Professional Accountants</li></ul>
Senior Network & Systems Administrator	Mr Soo Shuing Chong Chap Sin	<ul style="list-style-type: none"><li>• BSc in Electronic Engineer</li><li>• MBA</li></ul>
Manager (Finance)	Mrs Ashna Unjore	<ul style="list-style-type: none"><li>• ACCA</li><li>• MBA with distinction, Edinburgh Business School, UK</li><li>• Member of the Mauritius Institute of Professional Accountants</li></ul>
Operations Manager	Mr Jayendra Sookdeb	<ul style="list-style-type: none"><li>• BSc Statistics</li><li>• Executive MBA</li><li>• Associate member of the Institute and Faculty of Actuaries, UK.</li></ul>
Land Surveyor	Mr Narainsamy Pydiah	<ul style="list-style-type: none"><li>• Diploma in Land Surveying (with distinction)</li><li>• Commission under Section 4 of Land's Surveyor's Act</li></ul>
Area Manager	Mr Soopramanien Ramsamy	<ul style="list-style-type: none"><li>• Certificate in Animal Production</li><li>• BSc (Hons) in Agriculture</li><li>• Post graduate Diploma in Human Resource Management</li></ul>

### **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 2022 to June 2023 are given below:

	<b>MUR (Gross)</b>
Mr Chaitanand Jheengun	840,000
Mr Medha Gunpath	200,000
Mrs Moheenee Nathoo	75,000
Mr Vikraj Ramkelawon	300,000
Mr Devendra Nath Busgeeth	237,500
Mr Sebastien Mamet	300,000
Mr Pramanund Newoor (MSK)	300,000
Mr Madhoosoodhun Motah (MSK)	300,000
Mr Jugdutt Rampersad (OSK)	300,000
Mr Kumar Khelawon	300,000
Mr Jean Li Yuen Fong	300,000
Mr Satish Purmessur	300,000

## **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.

Board Evaluation is carried out on a 2 years interval. The last one was carried out in March 2022.

## **Induction of Board members**

Upon appointment, all new Directors receive an induction pack.

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.

In January 2023, the Board of SIF approved to retain the services of SICOM Management Ltd to develop an enhanced Investment Risk Management Policy and Guidelines, a Capital Management Policy and an Enterprise Risk Management Policy. The draft of the documents is being reviewed.

## **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 Department which assists the Board and Management in effectively discharging their responsibilities. The purpose of the Internal Audit department is to provide independent and objective assurance to the Board and the Audit and Risk Management Committee on the adequacy and effectiveness of the internal control process. The Internal Audit Department is responsible for the internal audit function in all the units of the Sugar Insurance Fund Board and is currently headed by a qualified accountant. The Internal Auditor reports directly to the Audit and Risk Management Committee whilst reporting administratively to the Chief Executive Officer. The process of implementation of the Internal Audit Standard Operational Procedure Manual adopted by the Board in February 2022 is ongoing. The Internal Audit plan is prepared following discussions with Management and presented to the Audit and Risk Management Committee for recommendation to the Board so as to maintain independence and objectivity and also avoid being directly involved in the day-to-day operations of the Fund. The Internal Audit team has unrestricted access to key personnel, documents and records. The internal auditor helps Management in improving organization practice. Business controls are reviewed on an on-going basis by the Internal Auditor. 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.

The National Audit Office serves as External Auditor of the Fund. They are responsible for reporting on whether the Financial Statements are fairly presented. In this view, they are granted unrestricted access to all information that may be required in the execution of their duties. Direct access to the Audit and Risk Management Committee is available to the External Auditor should they wish to discuss any matters privately. It should be noted that non-audit services have not been provided by the National Audit Office.

### **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 code of conduct and ethics for SIFB Officers and Employees which was reviewed and approved by the Board in September 2022, rests upon a number of core values which require that SIFB Officers and Employees behave with integrity, selflessness, impartiality, objectivity, accountability, openness, honesty and justice.

### **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 Board of SIF has approved and adopted during the period under review the (i) Financial Management Manual (FMM), (ii) Human Resource Management Manual (HRM), (iii) Human Resource (HR) Audit Report and Report on the Analysis of the Organisational Structure of SIFB.

### **Health & Safety**

The SIFB has a legal obligation under Section (5) of the Occupational Safety and Health Act (2005) 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; that is safe and without risks to health.

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

(i) *Health and Safety inspection*

Regular safety and health visits have been carried out at the SIFB premises. Recommendation of the Safety & Health Officer are being implemented as appropriate.

(ii) *Training and Induction*

Several sessions of the Safety & Health Induction 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.

(iii) *Risk assessment*

The OSHA Act 2005 requires employers to protect their employees against work place hazards. In that respect, the existing Risk Assessment is being reviewed to identify the hazards and risks associated with each working activity and highlight the controls to be implemented to minimize the risks and hazards at the SIFB.

(iv) *Safety and Health Committee*

SIFB has set up a Safety and Health Committee, which meets once every two months in conformity with OSHA 2005. The aim of the Committee is to provide a healthy and safe working environment and establish good communication between management and employees.

(v) *Medical Check-Up*

A team from the Ministry of Health and Wellness was present at the SIFB for a medical checkup for all staff of the SIFB on November 28, 2022. The medical check-up included the NCD Screening and Breast and Cervical Cancer Screening Programme.

(vi) *Training on stress management*

Three Training sessions on stress Management was delivered by a psychotherapist, on October 11, October 25, and November 11, 2022.

The contents of the training were as follows:

- A Brief Overview of the Anxiety Situation in Mauritius.
- Get rid of stressful situations, particularly in the workplace.
- How to stay healthy mentally through relaxation techniques.
- Keep track of emotions through meditation

(vii) *World Safety Day*

On May 12, 2023, the SIFB celebrated the World Day for Safety and Health at Work. On this special occasion of World Day for Safety and Health at Work, a 10-minute talk on the importance of safety and health at the workplace was given, and a gift token was handed to every employee at the SIFB.

On the occasion of the World Day for Safety and Health at Work, a one-day presentation was delivered by an occupational Safety and Health Officer from the Ministry of Labor, Human Resource Development, and Training on the OSHA Act 2005.

(viii) *First aid and Fire warden refresher course*

On February 24, 2023, a refresher briefing session was held for fire wardens and first aiders to remind them of their obligations as first aiders and fire wardens.

### **Corruption Risk Assessment**

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

Progress of implementation of two CRAs conducted in Feb / March 2022 namely on “Procurement” and “Information Technology” sections are being monitored and on request, forwarded to the parent Ministry

Two new CRAs will be identified in the coming financial year.

### **Conflict of Interest**

A Conflicts of Interest & Related Party Transactions Policy adopted by the SIF Board in September 2022 is published on the website of the Fund.

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.

### **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 2023, the SIFB had a workforce of 87 staff (59 male and 28 female).

For the period under review, there had been 14 retirements.

### **Environmental Issues**

In its pursuit to save energy and to protect our environment the Fund has initiated measures for improving energy efficiency and implementing energy saving measures across its organization.

Energy Management Team (EMT) has been set up in July 2022 to foster a sense of inclusiveness from all employees in energy conservation and efficiency. The main functions and tasks of the EMT are as follows:

- Introduce this budget measure to officers and explain its procedure.
- Demonstrate commitment to the initiative through signature of the individual pledge and setting an example by following the pledge.
- Identify suitable ECE measures that can be implemented at the respective levels.
- Communicate energy efficiency tips and Energy Performance Indicators (EnPI) to staff regularly.
- Baseline data collection – gathering preliminary data related to building and its energy consumption.
- Walk-Through Energy Audit – walk around building to establish an overall picture of the potential of energy savings.
- Identify Energy conservation and Efficiency measures – remodelling of installation to reduce energy consumption.
- Evaluation of savings – calculation of simple payback for each measure implemented.

### **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.



## 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 2022 to 30 June 2023**

Throughout the year ended 30 June 2023, 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:

A Position Statement for the Chairperson of the Board, the Chief Executive Officer and the Board Secretary will be developed.

SIGNED BY:

Chairman and one Director

Names:

Mr C. Jheengun  
Chairman

Mr V. Ramkelawon  
Director

Date: 25 April 2024



## FINANCIAL PERFORMANCE

The Financial Year under review shows a total surplus of MUR 534.14M (General and Fire) compared to a net surplus of MUR 403.40M for the year ending 30 June 2022. This is mainly attributable to (i) General Insurance Premium being higher by 18.5% compared to the previous financial year and (ii) a four-fold increase in the Fund's share of profit in its associate (SICOM Ltd).

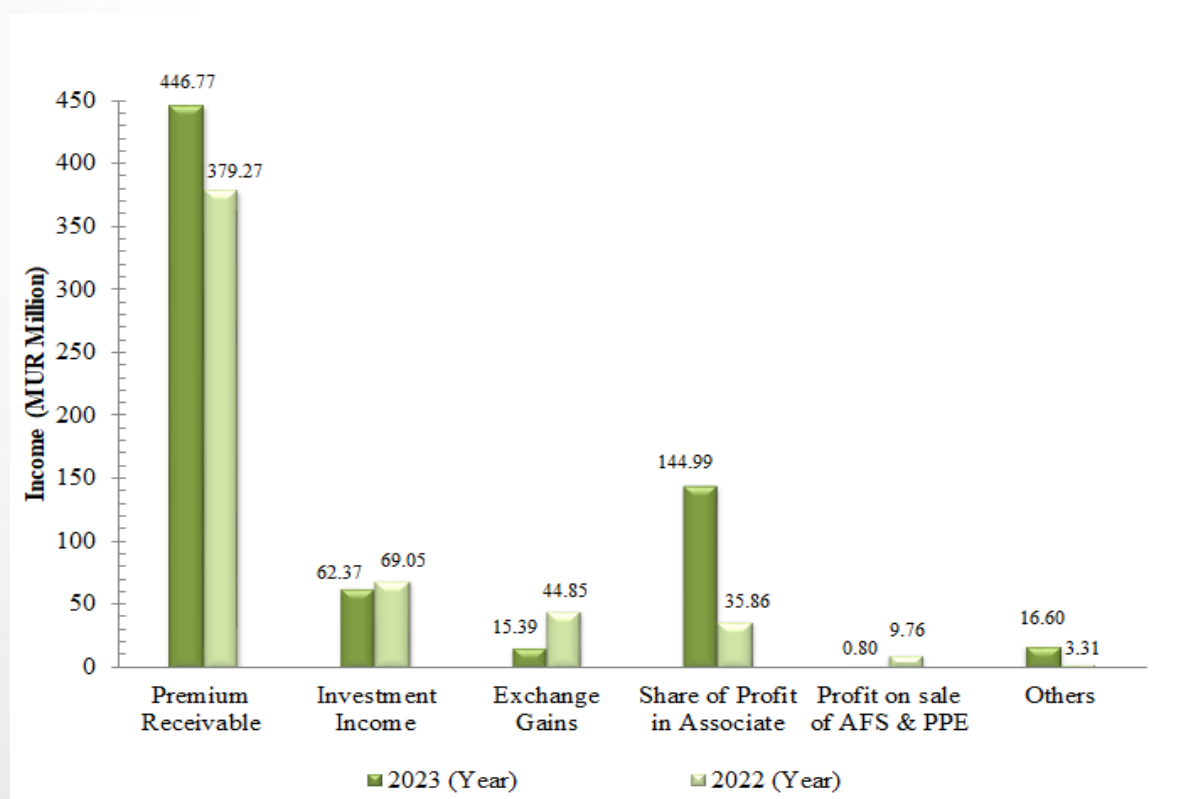
Item	General Fund MUR Million	Fire Fund MUR Million	Total MUR Million
Gross Insurance Premium	438.07	8.69	446.77
Insurance compensation payable	-	(4.27)	(4.27)
	<b>438.07</b>	<b>4.42</b>	<b>442.49</b>
Other Expenses	(148.49)	(0.26)	(174.29)
Other Income	240.33	0.09	241.41
Net Surplus / (Deficit)	<b>529.91</b>	<b>4.25</b>	<b>534.16</b>

**Table 3 - Summary of Income and Expenditure**

### 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 MUR 686.92M for the year under review.

The composition of income is shown below:



**Figure 4 - Income**

## Insurance Premium

Gross Insurance Premium (General and Fire) for crop year 2022 received during this Financial Year amounted to MUR 446.77M compared to MUR 379.27M for the previous crop year 2021. This is attributable to a higher sugar price for insurance purposes.

### Premium Income

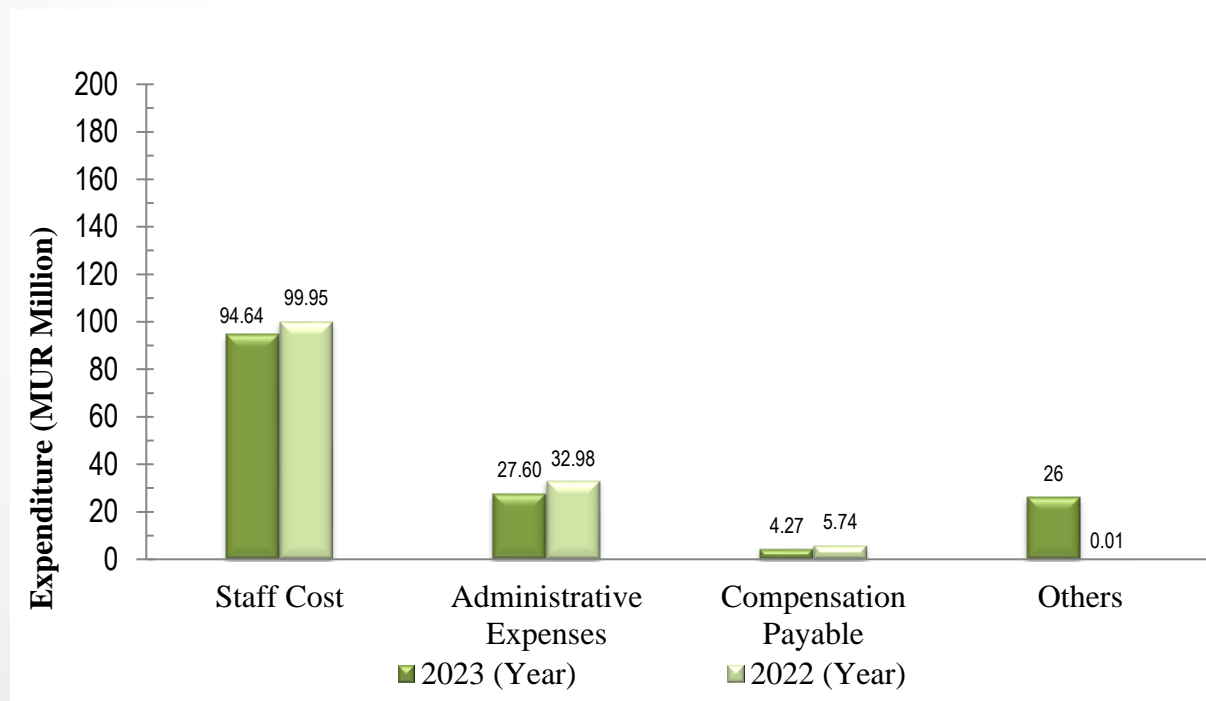
Premium (Gross)	Total MUR Million
General	438.08
Fire	8.69
<b>Total</b>	<b>446.77</b>

## Investment Income

Investment income (Interest and Dividend) totaling MUR 62.37M for the year under review is down by 9.67% compared to the previous reporting period (MUR 69.05M). This is mainly due to interest generating investment (SIT Notes) at maturity, being invested in products yielding capital appreciations only (SBM Perpetual Fund).

## Expenditure

The Fund's total expenditure for the year amounted to MUR 153.02 million, reflecting an increase from the previous year's MUR 138.09 million, mainly resulting from crystallising of fair value losses on investments.



**Figure 5 - Expenditure**

## Accumulated Fund

The Accumulated Fund comprising of the General Fund and the Fire Fund progressed by 14.6% during the year from MUR 3,424.1M to MUR 3,924.5M.

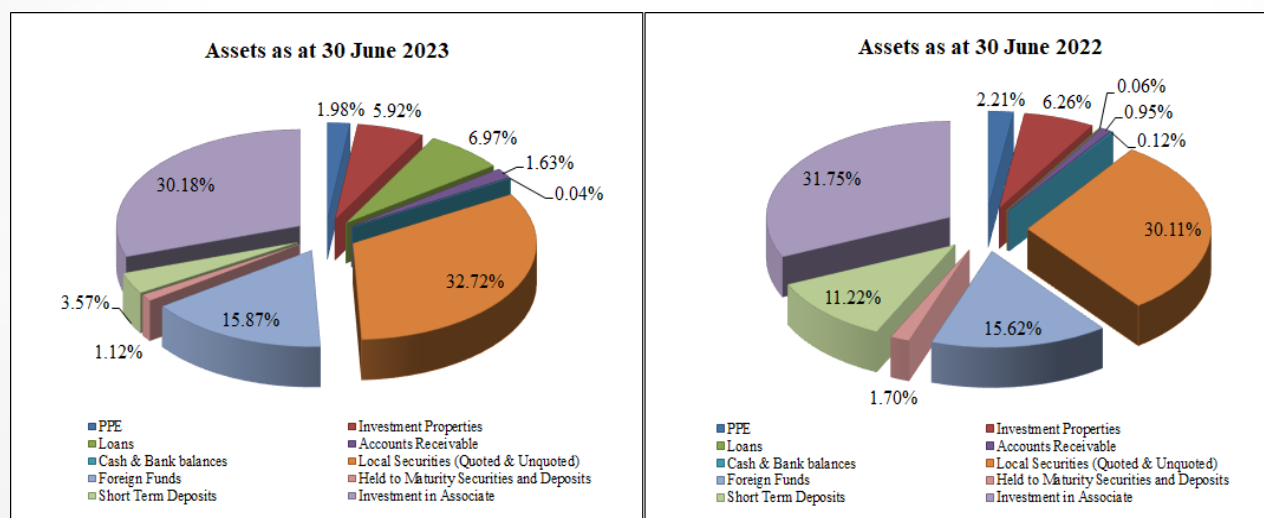
### Accumulated Fund

Fund	MUR Million At 30 June 2023	MUR Million At 30 June 2022
General	3,914.6	3,418.5
Fire	9.9	5.6
Total	3,924.5	3,424.1

## Assets under management

The Fund's total assets under management increased by MUR 508.86M from MUR 4.65 Billion to MUR 5.16 Billion at 30 June 2023. This positive result is mainly attributable, amongst others, to the remarkable performance of our Associate (SICOM Ltd) and more funds available from Insurance Premium for investment purposes.

A breakdown of total assets under management is shown below:





**Report of the  
Director Audit  
for the  
year ended 30 June 2023**



**REPORT OF THE  
DIRECTOR OF AUDIT**

**On the Financial Statements  
of the Sugar Insurance Fund Board  
for the year ended 30 June 2023**

**NATIONAL AUDIT OFFICE**



# NATIONAL AUDIT OFFICE

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

### Report on the Audit of the Financial Statements

#### Qualified Opinion

I have audited the financial statements of the Sugar Insurance Fund Board, which comprise the statement of financial position as at 30 June 2023 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Sugar Insurance Fund Board as at 30 June 2023, and of its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSASs).

#### Basis for Qualified Opinion

Bank confirmation was not received from the Conservator of the Silver Bank Ltd in respect of the fixed deposit and the balance at bank amounting to some Rs 34 million and Rs 39,522 as at 30 June 2023, respectively. Hence, I cannot confirm the completeness and accuracy of these figures.

#### Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). 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.

Except for the matter described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

### **Emphasis of Matter**

I draw attention to Note 7(b) of the financial statements where it is reported that:

The Silver Bank Ltd has been placed under conservatorship by the Bank of Mauritius on 13 February 2024. The repayment and withdrawal of the deposit of some Rs 34 million, reaching maturity in October 2024, has been suspended until further notice.

The fixed maturity unquoted bond in Ghana Sovereign Bonds for an amount of US\$ 1.0 million invested in May 2017 and maturing in August 2023 has been reported at an impaired value of US\$ 518,480, based on last market value at reporting date. The investment is valued at some Rs 23 million as at 30 June 2023.

My opinion is not modified in respect of these matters.

### **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.

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 IPSASs, 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:

- (a) 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;
- (b) 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 the 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.



**DR D. PALIGADU**  
Director of Audit

National Audit Office  
Level 14  
Air Mauritius Centre  
PORT LOUIS

30 April 2024



**Financial Statements**  
**for the**  
**year ended 30 June 2023**

**STATEMENT OF FINANCIAL POSITION**  
**as at 30 June 2023**

<b>ASSETS</b>	<b>Notes</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
		<b>MUR</b>	<b>MUR</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	<b>186,119,973</b>	526,950,121
Receivables	5	<b>83,804,214</b>	44,088,962
Short term loans	6	<b>356,506,881</b>	-
Investments in securities and deposits	7	<b>34,715,167</b>	380,167
		<b>661,146,235</b>	<b>571,419,250</b>
<b>NON-CURRENT ASSETS</b>			
<b>Investments in securities and deposits</b>	7	<b>2,532,671,727</b>	2,206,240,029
Investment property	8	<b>305,150,000</b>	291,000,000
Long term loans	9	<b>2,675,881</b>	2,873,559
<b>Investment in Associate</b>	10	<b>1,556,497,962</b>	1,476,950,042
<b>Property, plant and equipment</b>	11	<b>100,810,416</b>	101,255,578
<b>Intangible Assets</b>	12	<b>1,119,826</b>	1,471,607
		<b>4,498,925,811</b>	<b>4,079,790,815</b>
<b>TOTAL ASSETS</b>		<b>5,160,072,046</b>	<b>4,651,210,065</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	13	<b>13,425,059</b>	27,476,687
Short Term employee benefits	14	<b>7,666,644</b>	11,998,109
		<b>21,091,704</b>	<b>39,474,796</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Long term employees benefits</b>	14	<b>38,078,708</b>	40,138,965
<b>Retirement benefit obligations</b>	15	<b>443,231,752</b>	441,556,921
		<b>481,310,460</b>	<b>481,695,886</b>
<b>TOTAL LIABILITIES</b>		<b>502,402,164</b>	521,170,682
<b>NET ASSETS</b>		<b>4,657,669,882</b>	<b>4,130,039,383</b>
<b>NET ASSETS / EQUITY</b>			
Revaluation reserves		<b>733,211,825</b>	705,854,616
Accumulated funds	16	<b>3,924,458,057</b>	3,424,184,767
<b>TOTAL NET ASSETS / EQUITY</b>		<b>4,657,669,882</b>	<b>4,130,039,383</b>

Notes 1 to 36 form an integral part of these Financial Statements. The Financial Statements were approved by the Board on 28 September 2023 and subsequently amended on 25 April 2024.

.....  
Chairperson

.....  
Director

**STATEMENT OF FINANCIAL PERFORMANCE**  
*for the year ended 30 June 2023*

	Notes	Year ended 30 June 2023 MUR	Year ended 30 June 2022 MUR
<b>GENERAL INSURANCE ACCOUNT</b>			
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>			
Insurance premium	17	<b>438,072,133</b>	369,702,013
Investment income	18	<b>62,284,301</b>	69,009,695
	19	<b>800,400</b>	9,757,078
Profit on sale of Securities			
Fair value and Other gains	20(a)	<b>15,392,978</b>	44,848,293
Other Revenue	21	<b>16,864,179</b>	3,594,205
<b>TOTAL REVENUE</b>		<b>533,413,991</b>	496,911,284
<b>EXPENSES</b>			
Staff Costs	23	<b>94,644,639</b>	99,955,433
Administrative	24	<b>27,596,311</b>	32,982,189
Impairment Losses on HTM Securities		<b>21,536,552</b>	-
Exchange and other losses	20(b)	<b>4,717,575</b>	7,261
<b>TOTAL EXPENSES</b>		<b>148,495,077</b>	132,944,883
Share of surplus of Associate	10	<b>144,988,000</b>	35,864,600
<b>Surplus to General Fund for the year</b>		<b>529,906,914</b>	399,831,001
<b>FIRE INSURANCE ACCOUNT</b>			
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>			
Insurance premium	18	<b>8,693,899</b>	9,568,228
Investment Income	19	<b>85,212</b>	36,476
<b>TOTAL REVENUE</b>		<b>8,779,111</b>	9,604,704
<b>EXPENSES</b>			
Insurance compensation		<b>4,270,185</b>	5,744,166
<b>Management fee to General Fund</b>		<b>260,817</b>	287,047
<b>TOTAL EXPENSES</b>		<b>4,531,002</b>	6,031,213
Surplus to Fire Fund for the year		<b>4,248,109</b>	3,573,491
<b>Total Surplus for the year</b>		<b>534,155,023</b>	403,404,492

**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
*for the year ended 30 June 2023*

	<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 2020	3,324,942,368	2,767,720	50,989,447	415,492,818	3,794,192,353
Release on disposal of financial assets	-	-	-	(23,732,612)	(23,732,612)
Change in value of 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	(57,782,412)	(698,560)	-	-	(58,480,972)
At 30 June 2021	3,137,345,880	2,069,160	50,989,447	726,308,899	3,916,713,386
Gains on revaluation gains on Land and Building	-	-	20,230,769	-	20,230,769
Release on disposal of financial assets	-	-	-	(7,274,752)	(7,274,752)
Change in value of 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	399,831,001	3,573,491	-	-	403,404,492
At 30 June 2022	<b>3,418,542,116</b>	<b>5,642,651</b>	<b>71,220,216</b>	<b>634,634,400</b>	<b>4,130,039,383</b>
Release on disposal of financial assets	-	-	-	<b>838,630</b>	<b>838,630</b>
Change in value of financial assets	-	-	-	<b>60,379,379</b>	<b>60,379,379</b>
Re-measurement of Defined Benefit Obligations	<b>(33,881,733)</b>	-	-	-	<b>(33,881,733)</b>
Share of Associate not reported in surplus	-	-	-	<b>(33,860,800)</b>	<b>(33,860,800)</b>
Net Surplus for the year	<b>529,906,914</b>	<b>4,248,109</b>	-	-	<b>534,155,023</b>
At 30 June 2023	<b>3,914,567,297</b>	<b>9,890,760</b>	<b>71,220,216</b>	<b>661,991,609</b>	<b>4,657,669,882</b>

## CASH FLOW STATEMENT

### for the year ended 30 June 2023

	Note	Year ended 30 June 2023 MUR	Year ended 30 June 2022 MUR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Surplus for the year		534,155,023	403,404,492
Adjustments for:			
Share of profit of Associate	10	(144,988,000)	(35,864,600)
Provision for passage benefits		2,167,052	2,538,971
Payment of passage benefits		(2,721,069)	(3,873,960)
Depreciation of non-current assets	11	4,156,768	3,920,787
Amortisation of Intangible Assets	12	351,781	351,781
Investment income	18	(62,369,513)	(69,046,172)
Loss on disposal of PPE		-	5,800
Loss / (Gain) on disposal of Financial Assets		3,917,175	(9,757,078)
Gain on revaluation of Investment Properties	8	(14,150,000)	(27,000,000)
Gain on change in accounting estimates	20(a)	(756,771)	(2,816,380)
Loss/ (Gain) on valuation of investments		21,536,552	(9,790,238)
Effects of exchange rate changes on cash & cash equivalents held		(483,674)	(5,241,674)
Retirement benefits charged	15	13,293,098	12,382,752
Provision for employees benefits		1,050,537	9,893,854
Employees benefits paid		(6,888,241)	(7,421,884)
Special contribution into staff pension fund	15	(45,500,000)	(100,000,000)
(Increase) / Decrease in trade and other receivables		(34,556,300)	89,394,983
Decrease in trade and other payables		(14,051,628)	(439,459,772)
<b>NET CASH GENERATED / (USED) BY OPERATING ACTIVITIES</b>		<b>254,162,790</b>	<b>(188,378,337)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment to acquire financial assets		(339,293,473)	(350,087,394)
Proceeds from sale of financial assets		14,291,058	499,521,274
Dividend received		55,369,241	51,213,456
Interest received		33,326,732	52,265,170
Payment for property, plant and equipment	11	(2,954,834)	(1,847,394)
Proceeds from disposal of PPE		-	52,200
<b>NET CASH (USED) / GENERATED BY INVESTING ACTIVITIES</b>		<b>(239,261,276)</b>	<b>251,117,311</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term loans granted		(380,777,066)	(322,423,556)
Proceeds from short term loans		24,270,185	447,565,638
Long term loans granted		(1,755,250)	(2,027,055)
Proceeds from long term loans		2,046,795	92,698,915
<b>NET CASH (USED) / GENERATED BY FINANCING ACTIVITIES</b>		<b>(356,215,336)</b>	<b>215,813,942</b>
<b>NET DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(341,313,822)</b>	<b>278,552,917</b>
<b>Cash and Cash Equivalents at start of period</b>		<b>526,950,121</b>	<b>243,155,530</b>
Effects of exchange rate changes on cash & cash equivalents held		483,674	5,241,674
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	26	<b>186,119,973</b>	<b>526,950,121</b>
<b>REPRESENTED BY:</b>			
<b>Bank and cash balances</b>		<b>2,218,756</b>	<b>5,249,402</b>
<b>Short Term deposits</b>		<b>183,901,217</b>	<b>521,700,719</b>
		<b>186,119,973</b>	<b>526,950,121</b>

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
*for the year ended 30 June 2023*

	Note	Original/ Final Budget MUR	Actual Amount MUR	Variance MUR
<b>GENERAL INSURANCE ACCOUNT</b>				
<b>REVENUE</b>				
Insurance premium	27(i)	385,000,000	438,072,133	53,072,133
Interest Receivable	27(ii)	35,000,000	39,253,482	4,253,482
Dividend Income	27(iii)	44,000,000	23,116,031	(20,883,969)
	27(iv)	-	800,400	800,400
Profit on sale of Securities		-	-	-
Share of profit of Associate	27(v)	-	144,988,000	144,988,000
	27(vi)	-	15,392,978	15,392,978
Fair value and other gains		-	-	-
Other Revenue		2,600,000	16,864,179	14,264,179
<b>TOTAL REVENUE</b>		<b>466,600,000</b>	<b>678,487,203</b>	
<b>EXPENSES</b>				
Staff Costs and Other Administrative Expenses	27(vii)	111,985,000	122,501,767	10,516,767
Other Losses		-	26,254,127	26,254,127
<b>TOTAL EXPENSES</b>		<b>111,985,000</b>	<b>148,755,894</b>	
<b>Surplus to General Fund for the year</b>		<b>354,615,000</b>	<b>529,731,309</b>	
<b>FIRE INSURANCE ACCOUNT</b>				
<b>REVENUE</b>				
<b>Insurance premium</b>		8,700,000	8,693,899	(6,101)
<b>TOTAL REVENUE</b>		<b>8,700,000</b>	<b>8,693,899</b>	
<b>EXPENSES</b>				
Insurance compensation	27(viii)	11,300,000	4,270,185	(7,029,815)
<b>TOTAL EXPENSES</b>		<b>11,300,000</b>	<b>4,270,185</b>	
<b>Surplus to Fire Fund for the year</b>		<b>(2,600,000)</b>	<b>4,423,714</b>	
<b>Total Surplus for the year</b>		<b>352,015,000</b>	<b>534,155,023</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 2023

#### 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) Financial assets are stated at their fair value.

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

###### *Amendments to IPSAS 36, Investments in Associates and Joint Ventures*

This amendment clarifies that IPSAS 41, Financial Instruments, including its impairment requirements, applies to long-term interests in associates and joint ventures and will be effective for annual periods starting on or after 1 January 2023. The Fund has not applied this standard prospectively.

###### *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 2023***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.

***IPSAS 45– Property, Plant, and Equipment.***

This standard was issued in May 2023 and will be effective for annual periods starting on or after 1 January 2025, with earlier application permitted. The aim of IPSAS 45 is to update principles drawn from IPSAS 17, Property, Plant, and Equipment by adding new guidance for heritage assets, infrastructure assets, and measurement of property, plant, and equipment. The Fund has not applied this standard prospectively.

***IPSAS 46– Measurement***

This standard was issued in May 2023 and will be effective for annual periods starting on or after 1 January 2025, with earlier application permitted. IPSAS 46 is designed to define measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. The Standard identifies approaches under those measurement bases to be applied through individual IPSAS to achieve the objectives of financial reporting. The Fund has not applied this standard prospectively.

***IPSAS 47– Revenue***

This standard was issued in May 2023 and will be effective for annual periods starting on or after 1 January 2026, with earlier application permitted. This IPSAS replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers). The purpose of IPSAS 47 is to develop a new Standard that sets out the accounting requirements for revenue transactions in the public sector. The Fund has not applied this standard prospectively.

***IPSAS 48– Transfer Expenses***

This standard was issued in May 2023 and will be effective for annual periods starting on or after 1 January 2026, with earlier application permitted. It establishes the principles that a transfer provider shall report useful information to users of accounts about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transaction. The Fund has not applied this standard prospectively.

**NOTES TO THE FINANCIAL STATEMENTS***for the year ended 30 June 2023***2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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

**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 equal 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 revenues 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.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2023

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

### 2.5 Revenue recognition (cont'd)

#### *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.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2023

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

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

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS***for the year ended 30 June 2023*

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

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.

**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 financial assets valued through Net Assets/ Equity 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.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2023

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

### 2.15 Provision/Contingent Liabilities

#### (a) Provision

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

#### (b) Contingent Liabilities

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

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

### 2.16 Retirement benefit obligations

#### (i) 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.

**NOTES TO THE FINANCIAL STATEMENTS***for the year ended 30 June 2023***2.17 Financial instruments**

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

**a) Financial Assets***(i) Held-to-maturity investments*

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

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

*(ii) 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.



## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2023

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

### 2.17 Financial instruments (cont'd)

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

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

For all other financial assets evidence of impairment could include:

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2023

#### 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 2023 MUR	June 2022 MUR
Foreign Currency deposits with banks:		
USD	163,740,782	137,047,442
EURO	7,323,507	33,328,665
GBP	93,006	88,296
Deposits on call at banks – MUR	12,743,922	351,236,316
Bank and Cash Balances - MUR	2,218,756	5,249,402
	<b>186,119,973</b>	<b>526,950,121</b>

#### 5. ACCOUNTS RECEIVABLE/ PREPAYMENTS

Motor Vehicle Loans (Note 9 (ii))	1,050,638	1,158,929
Personal loans (Note 9(i))	428,538	414,113
Interest receivable	7,892,118	1,965,368
Premium receivable from Government of Mauritius	71,195,834	37,931,366
Dividends receivable	714,384	1,388,315
Other receivables/Prepayments	2,522,702	1,230,871
	<b>83,804,214</b>	<b>44,088,962</b>

#### 6. SHORT TERM LOANS

Loans to Mauritius Sugar Syndicate - (MSS)	356,506,881	-
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#### 7. INVESTMENTS IN SECURITIES AND DEPOSITS

##### (a) Available-For-Sale Securities and Deposits

##### *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 8.79M at 30 June 2023. Investments in The MFL Fund, which is an open-ended Fund, are stated at market value at MUR 1.45M at 30 June 2023, Shares in Afrasia Bank valued at MUR 1.83M, the MCB cash management Fund valued at MUR 44.93M, Swan Income Fund valued at 33.86M, MCB Bond and currency Fund valued at MUR 32.50M and the SBM Perpetual Fund valued at MUR 776.78M at 30 June 2023.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2023

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

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

###### Local Quoted

Local quoted investments include investments in companies listed on 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.

###### 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 2022/2023			Total MUR
	<u>Level 1</u> MUR	<u>Level 2</u> MUR	<u>Level 3</u> MUR	
Available-for-sale financial assets	791,145,101	900,142,150	818,336,027	2,509,623,278
	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

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

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 2023</u> MUR	<u>June 2022</u> MUR
Deposits (*)	34,380,167	34,380,167
Fixed Maturity Unquoted Bond (**)	23,383,448	44,920,000
	<u>57,763,615</u>	<u>79,300,167</u>

(\*) The Deposit represents a 3 years term deposit at 5.37% with the Silver Bank Ltd reaching maturity in October 2024; resulting from the taking over of the activities of the defunct Banyan Tree Bank in October 2021. The Silver Bank Ltd has been placed under conservatorship by the Bank of Mauritius on the 13<sup>th</sup> February 2024 resulting in suspension of repayment and withdrawal until further notice.

(\*\*) The fixed maturity unquoted bond represents investment in Ghana Sovereign Bonds for an amount of USD 1.0 Million invested in May 2017 and maturing in August 2023. The Sovereign Bond had a yield of 5.8% per annum payable on a monthly basis and interest has been paid up to February 2023. Due to major financial difficulty to repay its debt, the Ministry of Finance of Ghana announced a 50% haircut of its non-marketable debt. The investment has thus been reported at an impaired value of USD 518,480 based on last Market Value at reporting date.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

**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 2022	<u>839,635,473</u>	<u>560,950,063</u>	<u>726,734,492</u>	<u>79,300,167</u>	<u>2,206,620,195</u>
Additions	39,293,473	300,000,000	-	-	339,293,473
Disposals/Matured / Redeemed	(17,369,603)	-	-	(380,167)	(17,749,770)
Interest capitalised / receivable	-	-	-	380,167	380,167
Impairment Loss	-	-	-	(21,536,551)	(21,536,551)
Fair value Gain/(Loss)	(70,414,242)	39,192,087	91,601,534	-	60,379,380
<b>At 30 June 2023</b>	<b><u>791,145,101</u></b>	<b><u>900,142,150</u></b>	<b><u>818,336,026</u></b>	<b><u>57,763,616</u></b>	<b><u>2,567,386,894</u></b>
<b>Classified as:</b>					
- Short term	34,335,000	-	-	380,167	34,715,167
- Long term	756,810,101	900,142,150	818,336,026	57,383,449	2,532,671,727
	<u>791,145,101</u>	<u>900,142,150</u>	<u>818,336,026</u>	<u>57,763,616</u>	<u>2,567,386,894</u>
<b>AT COST</b>					
<b>At 30 June 2023</b>	<b><u>665,817,641</u></b>	<b><u>829,136,877</u></b>	<b><u>219,823,321</u></b>	<b><u>68,400,000</u></b>	<b><u>1,783,177,839</u></b>
At 30 June 2022	<u>644,732,401</u>	<u>529,136,877</u>	<u>219,823,321</u>	<u>68,400,000</u>	<u>1,462,092,599</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

**8. INVESTMENT PROPERTY**

	<b>June 2023</b>	June 2022
	<b>MUR</b>	MUR
At start of year	<b>291,000,000</b>	264,000,000
Gain on revaluation	<b>14,150,000</b>	27,000,000
At end of year	<b>305,150,000</b>	291,000,000

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

No.	Property location	Description of property	Latest valuation (MUR Million)
1	Brown Sequad Street, Port Louis	Land for a total extent of 314 toises: rented as covered parking.	101.32
2	Corner Independence and Brown Sequad Avenue, Vacoas	Two buildings standing on a plot of land of 24.50 perches (1118.82m <sup>2</sup> ).	28.67
3	Royal Road, Quartier Militaire	A two storey concrete building standing on a plot of land of a total extent of 73.35 perches.	26.46
4	Royal Road, Mare D'Albert	A building standing on a plot of land of 60.0 perches	22.16
5	Trianon	Land under sugar cane cultivation of a total extent of 25,323m <sup>2</sup> (6A), purchased in May 2018 at an all-inclusive cost of MUR 115.90 M	113.40
6	Royal Road, Central Flacq	Agricultural land under sugar cane cultivation of an extent of 48.92 perches (2064.79m <sup>2</sup> ).	13.14

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 2023 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.

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

- (i) Investment property No.1 generated Rental revenue of some MUR 1.56M and Direct Operating Expenses amounted to some MUR 0.37M.
- (ii) Investment property No.2 generated Rental revenue of some MUR 0.75M.
- (iii) No Direct Operating Expense was incurred for Investment Properties (3 to 4) not generating rental revenue.
- (iv) Investment Property No. 5 will be harvested early in the next financial year and is expected to produce some 178 tonnes of sugar cane.
- (iv) Investment property No. 6 generated proceeds from sale of sugar of some MUR 34,000.

The fair value hierarchy is as follows:

	<b>June 2023</b>	<b>Level 3</b>	June 2022
	<b>MUR</b>		MUR
Land and Buildings	<b>305,150,000</b>		291,000,000

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

**9. LONG TERM LOANS**

		<b>June 2023</b>	June 2022
		<b>MUR</b>	MUR
Personal Loans	(i)	<b>606,733</b>	837,084
Motor Vehicles Loans	(ii)	<b>2,069,148</b>	2,036,475
		<b>2,675,881</b>	2,873,559

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

Total amount due	<b>1,035,271</b>	1,251,197
Deduct: Amount falling due within one year (Note 5)	<b>(428,538)</b>	(414,113)
Amount falling due after more than one year	<b>606,733</b>	837,084

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

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

Total amount	<b>3,119,786</b>	3,195,404
Deduct: Amount falling due within one year (Note 5)	<b>(1,050,638)</b>	(1,158,929)
Amount falling due after more than one year	<b>2,069,148</b>	2,036,475

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 2023 is based on the draft financial statement of SICOM Group.

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

	<b>June 2023</b>	June 2022
	<b>MUR</b>	MUR
Total Assets	<b>27,162,598,000</b>	25,828,596,000
Total Liabilities	<b>19,375,461,000</b>	18,439,219,000
After Tax adjusted profit for the year	<b>769,750,000</b>	255,481,000
Adjusted Share of profit (20%)	<b>144,988,000</b>	35,864,600
Share of net assets (20%)	<b>1,556,497,962</b>	1,476,950,042

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

**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 2023	MUR	MUR	MUR
Freehold Land	2,946,841	-	2,946,841
Building	22,763,712	(22,763,712)	-
	<b>25,710,553</b>	<b>(22,763,712)</b>	<b>2,946,841</b>
At 30 June 2022			
Freehold Land	2,946,841	-	2,946,841
Building	22,763,712	(22,763,712)	-
	<b>25,710,553</b>	<b>(22,763,712)</b>	<b>2,946,841</b>

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 2023	June 2022
	MUR	MUR
Freehold Land	51,800,000	51,800,000
Buildings	38,256,364	39,700,000
	<b>90,056,364</b>	<b>91,500,000</b>
<i>Reconciliation:</i>		
Opening balance at start of year	91,500,000	72,355,384
Surplus on Revaluation	-	14,800,000
Depreciation charge for the year	(1,443,636)	(1,086,153)
Depreciation eliminated on Revaluation	-	5,430,769
Balance at year end	<b>90,056,364</b>	<b>91,500,000</b>

(i) *As disclosed by the Valuer:*

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

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

- The property is appraised free and clear from all charges and encumbrances;
- The property has good and marketable title deed;
- Vacant possession can be given;
- 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;
- The buildings comply with all statutory and local authority regulations including building, fire and health and safety regulations.
- Regular maintenance is being carried out to premises and unkeep the buildings in good state of repairs.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

**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 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)
At June 2022	51,800,000	39,700,000	6,319,660	11,396,188	4,066,450	19,590,835	132,873,133
Additions	-	-	-	763,390	-	2,191,444	2,954,834
<b>At June 2023</b>	<b>51,800,000</b>	<b>39,700,000</b>	<b>6,319,660</b>	<b>12,159,578</b>	<b>4,066,450</b>	<b>21,782,279</b>	<b>135,827,967</b>
<b>DEPRECIATION</b>							
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)
At 30 June 2022	-	-	5,221,289	7,681,328	2,866,451	15,848,487	31,617,555
On Change in Accounting Estimates	-	-	(144,350)	(46,817)	(106,645)	(458,959)	(756,772)
Charge for the year	-	1,443,636	413,392	486,180	300,000	1,513,560	4,156,768
At June 2023	-	1,443,636	5,490,331	8,120,691	3,059,806	16,903,087	35,017,551
<b>NET BOOK VALUE</b>							
At 30 June 2023	<b>51,800,000</b>	<b>38,256,364</b>	<b>829,329</b>	<b>4,038,887</b>	<b>1,006,644</b>	<b>4,879,192</b>	<b>100,810,416</b>
At 30 June 2022	51,800,000	39,700,000	1,098,371	3,714,860	1,199,999	3,742,348	101,255,578



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

**12. INTANGIBLE ASSETS – COMPUTER SOFTWARE**

	<b>June 2023</b>	June 2022
	<b>MUR</b>	MUR
<b>Cost</b>		
At start of year	6,914,682	6,914,682
At end of year	6,914,682	6,914,682
<b>Amortisation</b>		
At start of year	5,443,075	5,474,169
Eliminated on change in Accounting Estimates	-	(382,875)
Charge for the year	351,781	351,781
At end of year	5,794,856	5,443,075
<b>Carrying value at year end</b>	<b>1,119,826</b>	1,471,607

**13. PAYABLES**

Provision for Compensation for Crop 2010 - re: DRBC case	10,162,821	24,000,000
Accruals	2,683,934	2,940,486
Others	578,305	536,201
	<b>13,425,060</b>	27,476,687

**14. EMPLOYEES BENEFITS**

At start of year	52,137,074	51,116,334
Charge for the year	3,217,588	12,316,584
	55,354,662	63,432,918
Less: Payment during the year	(9,609,310)	(11,295,844)
<b>At end of year</b>	<b>45,745,352</b>	52,137,074
<b>Classified as:</b>		
Long Term	38,078,708	40,138,965
Short Term	7,666,644	11,998,109

**15. 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 2023</b>	June 2022
	<b>MUR</b>	MUR
Defined benefit obligation	1,028,311,833	1,018,398,107
Fair value of plan assets	(585,080,080)	(576,841,185)
Liability recognised in statement of financial position	<b>443,231,753</b>	441,556,922

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

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

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

(ii) Amounts recognised in statement of financial performance:

	June 2023 MUR	June 2022 MUR
Current service cost	4,516,343	7,677,672
Employee Contributions	(2,731,788)	(3,390,743)
Fund Expenses	321,923	216,848
Net Interest expense	19,837,280	17,982,493
Profit & Loss Charge	<u>21,943,758</u>	<u>22,486,270</u>

(iii) Amount recognised in Net Asset/Equity:

Liability experience (gain) / Loss	32,126,544	89,275,276
Assets experience Loss/ (gain)	1,755,189	29,359,489
Net Asset/Equity (NAE)	<u>33,881,733</u>	118,634,765

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

At start of year	441,556,922	410,539,405
Amount recognised in Profit & Loss	21,943,758	22,486,270
Past Service Funding	(45,500,000)	(100,000,000)
Contributions paid by employer	(8,650,660)	(10,103,518)
Amount recognised in NAE	33,881,733	118,634,765
At end of period	<u>443,231,753</u>	<u>441,556,922</u>

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

Present value of obligation at start of period	1,018,398,107	943,224,397
Current service cost	4,516,343	7,677,672
Interest cost	47,110,947	43,859,934
Benefits paid	(73,840,108)	(65,639,172)
Liability (gain)/ loss	32,126,544	89,275,276
Present value of obligation at end of period	<u>1,028,311,833</u>	<u>1,018,398,107</u>

(vi) Reconciliation of fair value of plan assets:

Fair value of plan assets at start of period	576,841,185	532,684,992
Expected return on plan assets	27,273,667	25,877,441
Employer contributions	8,650,660	10,103,518
Employee contributions	2,731,788	3,390,743
Past Service Funding	45,500,000	100,000,000
Benefits paid + other outgo	(74,162,031)	(65,856,020)
Asset (loss)/gain	(1,755,189)	(29,359,489)
Fair value of plan assets at end of period	<u>585,080,080</u>	<u>576,841,185</u>

(vii) Components of the amount recognised in NAE:

Assets experience (Loss)/gain during the year	(1,755,189)	(29,359,489)
Liability experience gain / (Loss) during the year	(32,126,544)	(89,275,276)
Net Asset/Equity (NAE)	<u>(33,881,733)</u>	<u>(118,634,765)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

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

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

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

Percentage of assets at end of year	% of Fair Value of Total Plan Assets	
	June 2023	June 2022
Fixed interest securities and cash	53.9%	58.0%
Loans	2.8%	2.9%
Local equities	14.0%	13.6%
Overseas equities and bonds	28.8%	25.0%
Property	0.5%	0.5%
Total	100%	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 2023/2024: MUR 8,845,127

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

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

	Year ended 30 June 2023 %	Year ended 30 June 2022 %
Discount rate	5.77	4.80
Future salary increases	4.50	3.50
Future pension increases	3.50	2.50
Mortality before retirement	Nil	
Mortality in retirement	PA (90) rated down by 2 years	
Retirement age	65 years	

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 100.7 M (increase by Rs 120 M) if all other assumptions were held unchanged.

**NOTES TO THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2023*

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

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

- If the expected salary growth would increase (decrease) by 100 basis points, the defined benefit obligation would increase by Rs 25 M (decrease by Rs 22.9 M) if all assumptions were held unchanged.
- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 35.4 M (decrease by Rs 35.1 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 2023 MUR	June 2022 MUR	June 2021 MUR	June 2020 MUR	June 2019 MUR
Present value of funded obligation	<b>1,028,311,833</b>	1,018,398,107	943,224,397	829,718,003	821,274,054
Fair value of plan assets	<b>(585,080,080)</b>	(576,841,185)	(532,684,992)	(554,622,419)	(551,220,844)
Liability in statement of financial position	<b>443,231,753</b>	441,556,922	410,539,405	275,095,584	270,053,210

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

	June 2023 MUR	June 2022 MUR	June 2021 MUR	June 2020 MUR	June 2019 MUR
Present value of obligation at start of period	<b>1,018,398,107</b>	943,224,397	829,718,003	821,274,054	824,317,122
Current service cost	<b>4,516,343</b>	7,677,672	7,691,154	8,627,786	7,528,017
Interest cost	<b>47,110,947</b>	43,859,934	29,040,130	28,744,592	47,810,393
Benefits paid	<b>(73,840,108)</b>	(65,639,172)	(61,002,927)	(49,353,749)	(51,076,388)
Liability loss/(gain)	<b>32,126,544</b>	89,275,276	137,778,037	20,425,320	(7,305,090)
Present value of obligation at end of period	<b>1,028,311,833</b>	1,018,398,107	943,224,397	829,718,003	821,274,054

*Reconciliation of fair value of plan assets:*

	June 2023 MUR	June 2022 MUR	June 2021 MUR	June 2020 MUR	June 2019 MUR
Fair value of plan assets at start of period	<b>576,841,185</b>	532,684,992	554,622,419	551,220,844	564,883,556
Expected return on plan assets	<b>27,273,667</b>	25,877,441	18,563,647	18,656,068	31,666,321
Employer contributions	<b>8,650,660</b>	10,103,518	9,674,686	10,091,365	10,234,900
Employee contributions	<b>2,731,788</b>	3,390,743	3,068,828	3,186,747	3,232,074
Past Service Funding	<b>45,500,000</b>	100,000,000	-	-	-
Benefits paid + other outgo	<b>(74,162,031)</b>	(65,856,020)	(61,208,549)	(49,658,784)	(51,291,981)
Asset gain/(loss)	<b>(1,755,189)</b>	(29,359,489)	7,963,961	21,126,179	(7,504,027)
Fair value of plan assets at end of period	<b>585,080,080</b>	576,841,185	532,684,992	554,622,419	551,220,844

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

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

**(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 271,320 has been recognised as expenditure for this financial year.

**16. ACCUMULATED FUNDS**

	<b>June 2023</b> <b>MUR</b>	June 2022 <b>MUR</b>
General Fund	<b>3,914,567,296</b>	3,418,542,116
Fire Fund	<b>9,890,761</b>	5,642,651
	<b>3,924,458,057</b>	3,424,184,767

**17. INSURANCE PREMIUM**

MUR 71.17 Million, representing General Insurance Premium and Fire Premium for Crop 2022 for small planters/métayers having a sugar accrued of not more than 60T is payable by the Government of Mauritius on behalf of these Insureds.

**18. INVESTMENT INCOME**

	<b>June 2023</b> <b>MUR</b>	June 2022 <b>MUR</b>
Interest Income on:		
<i>Fixed Deposits</i>	<b>1,825,800</b>	1,355,600
<i>Cash and cash equivalent</i>	<b>4,098,213</b>	979,526
<i>Loans</i>	<b>8,384,797</b>	3,094,008
<i>Bonds and Notes</i>	<b>24,944,672</b>	39,601,403
Total Interest Income	<b>39,253,482</b>	45,030,537
Dividends	<b>23,116,031</b>	24,015,634
	<b>62,369,513</b>	69,046,171
<i>Allocated to:</i>		
General Insurance Account	<b>62,284,301</b>	69,009,695
Fire Insurance Account	<b>85,212</b>	36,476

**19. PROFIT ON SALE OF SECURITIES**

On sale of local quoted notes	<b>800,400</b>	751,575
On sale of local unquoted securities	-	4,931,003
On sale of foreign bonds	-	1,977,000
On maturity of local quoted notes	-	2,097,500
	<b>800,400</b>	9,757,078

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

On translation of foreign currency deposits	<b>483,674</b>	5,241,675
On revaluation of investment properties	<b>14,150,000</b>	27,000,000
On Financial Assets	-	9,790,238
On disposal of Forex	<b>2,533</b>	-
On change in amounts estimates –Depreciation of PPE	<b>756,771</b>	2,816,380
	<b>15,392,978</b>	44,848,293

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

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

	June 2023 MUR	June 2022 MUR
On disposal of PPE & Forex	-	7,261
On disposal of shares	<b>4,717,575</b>	-
	<b>4,717,575</b>	7,261

**21. OTHER REVENUE**

Request for information/land conversion/duty-free certificate	<b>662,424</b>	1,068,103
Late registration fee	<b>29,350</b>	10,940
Morcellement permit fee	<b>136,107</b>	248,324
Rental of parking	<b>1,561,500</b>	1,578,150
Management fee from fire fund	<b>260,817</b>	287,047
Rental of property of Vacoas	<b>750,000</b>	-
Reversal of excess provision – re: DRBC	<b>13,396,719</b>	-
Other sundry receipts	<b>67,262</b>	401,641
	<b>16,864,179</b>	3,594,205

**22. GENERAL INSURANCE COMPENSATION**

Based on prevailing insurance terms, Crop 2022 has not been declared as an event year under general insurance.

**23. STAFF COSTS**

	June 2023 MUR	June 2022 MUR
Personal Emoluments incl. EOY Bonus	<b>54,639,455</b>	59,110,433
Staff Pension and other Statutory Contributions	<b>13,152,550</b>	15,282,004
Retirement Benefits Charged	<b>13,293,098</b>	12,382,752
Travelling	<b>8,335,736</b>	8,016,877
Other Benefits and Allowances	<b>5,223,800</b>	5,163,367
	<b>94,644,639</b>	99,955,433

**24. ADMINISTRATIVE EXPENSES**

Provision for Employees Benefits	<b>1,050,537</b>	9,893,854
Depreciation	<b>4,156,768</b>	3,920,787
Amortisation of Intangible Assets	<b>351,781</b>	351,781
Directors fees	<b>3,752,500</b>	3,831,129
Legal, Professional, Auditor, Actuarial and Fund Management fees	<b>3,801,249</b>	6,325,429
Utilities	<b>2,571,933</b>	2,369,646
Others	<b>11,911,543</b>	6,289,563
	<b>27,596,311</b>	32,982,189

**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

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

	June 2023 MUR	June 2022 MUR
Cash & cash equivalent is represented by:		
Bank and cash balances	2,218,756	5,249,402
Short term deposits	183,901,217	521,700,719
As reported in Statement of Financial Position	<u>186,119,973</u>	<u>526,950,121</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 2022 was budgeted based on a total insurable sugar of 280,513 tonnes and a sugar price of MUR 17,500 per tonne.

**(ii) Interest Receivable**

Actual interest receivable is higher than budgeted due to the fact that interest rates on both, the local and international market namely the libor and key rate rose.

**(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.

**(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 financial assets.

**(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 at year end on translation of forex, gains on revaluation of investment property, gains on change in accounting estimates and losses on valuation of financial assets and on disposal of quoted shares.

**(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.
- 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 2022 is a result of lesser fire outbreaks over both the crop cycle and harvest season.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2023

#### 28. RELATED PARTY TRANSACTIONS

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

	June 2023 MUR	June 2022 MUR
<b>(a) Outstanding balances</b>		
Loans to key management personnel under conditions of service	<u>1,196,406</u>	<u>-</u>
<b>(b) Transactions with entity under common directorship</b>		
(i) Short Term Loans	<u>356,506,881</u>	<u>-</u>
	<u>356,506,881</u>	<u>-</u>

Transactions with entity under common directorship represent loans granted to the Mauritius Sugar Syndicate on Short Term. These transactions have been effected at full arm's length.

	June 2023 MUR	June 2022 MUR
<b>(c) Compensation of key management personnel:</b>		
- Short term benefits	3,307,861	3,826,301
- Post-employment benefits contribution	742,836	1,427,792
- Other benefits	875,527	314,892
	<u>4,926,224</u>	<u>5,568,985</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.
- (iii) The services of SICOM Management Ltd have been retained further to a tender exercise for the development of a Capital Management Policy, Formal Investment Decision Framework and Enhanced Risk Management Policy for a total professional fee of MUR 522,500.

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.



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

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

**29.2 Categories of financial instruments**

*Financial assets*

	<b>June 2023</b>	June 2022
	<b>MUR</b>	MUR
- Held to maturity investments	<b>57,763,615</b>	79,300,168
- Loans and Receivables (including cash & Cash Equivalents and excluding prepayments)	<b>628,020,811</b>	572,757,157
- Available for sale financial assets	<b>2,509,623,278</b>	2,127,320,027
	<b><u>3,195,407,704</u></b>	<u>2,779,377,352</u>

*Financial liabilities*

Liabilities	<b><u>501,402,164</u></b>	<u>521,170,682</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.

*(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	<b>Financial Assets</b>	<b>Financial Liabilities</b>	Financial Assets	Financial Liabilities
	<b>June 2023</b>	<b>June 2023</b>	June 2022	June 2022
	<b>MUR</b>	<b>MUR</b>	MUR	MUR
Mauritian Rupees	<b>1,646,248,339</b>	<b>501,402,164</b>	1,299,065,926	521,170,682
United States Dollars	<b>1,212,245,792</b>	-	1,183,807,384	-
Euro	<b>336,820,567</b>	-	296,415,746	-
British Pounds	<b>93,006</b>	-	88,296	-
	<b><u>3,195,407,704</u></b>	<b><u>501,402,164</u></b>	<u>2,779,377,352</u>	<u>521,170,682</u>

The Fund is mainly exposed to USD and Euro.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2023

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

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

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 2023 MUR	June 2022 MUR
<b>(a) USD Impact</b>		
Surplus or deficit in statement of financial position	1,912,633	1,838,639
Revaluation Reserve in statement of financial position	10,209,825	9,999,434
<b>(b) EURO Impact</b>		
Surplus or deficit in statement of financial position	74,087	334,172
Revaluation Reserve in statement of financial position	3,294,119	2,629,986

The above is mainly attributable to:

- (i) Financial assets fair valued through surplus/ deficit
- (ii) Financial assets fair valued through nets assets/ equity

- **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 0.98Million 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 (%)	
		2023	2022	2023	2022
Loan to MSS – Short Term	MUR	4.00-4.90	1.6-1.75	-	-
Loan to MSS – Long Term	MUR	-	2.85	-	-
Fixed deposits	MUR	5.37	5.37	-	-
Short term deposits	USD	1.0-4.80	1.0-1.29	-	-
Debentures/Notes	MUR	6.15	6.15	5.85	3.20
Debentures/Notes	USD	4.75-8.00	4.75-6.00	-	-
Debentures/Notes	EUR	3.75	3.35	6m Euribor	+4.306m Euribor +4.00

- **Market Management risk**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

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

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

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

	<b>June 2023</b>	June 2022
	<b>MUR</b>	MUR
Financial Assets	<b>25,673,869</b>	22,066,202

**(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.
- The Government of Ghana has not announced any plan put in place in respect to repayment of the Sovereign bond reported at USD 518,480.

**(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>
Financial Assets	-	<b>34,335,000</b>	<b>380,167</b>	<b>295,025,187</b>	<b>2,237,646,539</b>
Loans & Receivables (excl prepayments)	<b>356,778,553</b>	<b>4,415,565</b>	<b>77,957,630</b>	<b>2,675,880</b>	<b>73,210</b>
Cash & cash equivalents	<b>73,369,973</b>	-	<b>112,750,000</b>	-	-
	<b>430,148,526</b>	<b>38,750,565</b>	<b>191,087,797</b>	<b>297,701,067</b>	<b>2,237,719,749</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>
Liabilities	<b>1,364,205</b>	<b>698,344</b>	<b>8,052,241</b>	<b>491,287,373</b>

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2023

#### 30. MANAGEMENT OF INSURANCE RISKS

##### *Insurance risk*

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

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

##### *Insurance contracts*

###### *(i) Frequency and severity of claims*

If any, their severity is largely dependent upon 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 2022, 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 2,256,806 tonnes.*

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

##### *(iii) Islandwide extraction rate 10.37 %*

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 233,999 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 36,494 Hectares*

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

##### *(vi) Islandwide Total Insurable Sugar 270,245 tonnes*

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

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2023

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

(vii) Islandwide average ranking 9.7

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 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 MUR	Loss Ratio
2022	-	4,270,185	446,766,032	0.96%
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%

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

At end of reporting date, the Fund has financial commitment with SICOM Ltd for the funding of the SIFB Staff Pension Fund. The funding entails a structured injection of cash, comprising 10 annual payments of MUR 45.5M each, the last payment instalment scheduled for June 2032.

#### 35. TAXATION

The Fund is exempt from income tax.

#### 36. CONTROLLING PARTY

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

# Appendix B

## Financial and Statistical Tables

Table I:	Statement of Funds
Table II:	Fire Statistics, Crop 2022
Table III:	Sugar Price, 2011 – 2022
Table IV:	Event Year
Table V:	Credit Co-operative Societies, Crop 2022
Table VI:	Millers, Crop 2022
Table VII:	Area Harvested & Cane Weight, Crop 2022
Table VIII:	Number of Planters, Sugar Produced & Insurable Sugar, Crop 2022
Table IX:	Premium, Compensation and Shortfall - Crop 2022
Table X:	Past Years Data (2011 – 2022)

**SUGAR INSURANCE FUND BOARD**  
**Table I: Statement of Funds**

Financial Year/period	Income				Expenditure					Operating Surplus/ (Deficit)	Accumulated Funds	Surplus/ (Deficit) on revatuation	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 2013	17,422,667,793	2,115,727,347	5,901,058,097	25,439,453,237	13,886,974,077	-	2,578,619,861	3,743,973,276	20,209,567,214	5,229,886,023	<b>5,229,886,023</b>	772,755,055	<b>1,397,048,355</b>	<b>6,626,934,378</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>
2023	446,766,032	-	244,471,346	691,237,378	4,270,185	-	-	174,290,249	178,560,434	512,676,944	<b>3,902,979,978</b>	48,835,288	<b>754,689,904</b>	<b>4,657,669,882</b>
<b>TOTAL</b>	<b>19,490,567,989</b>	<b>2,122,799,585</b>	<b>8,758,179,737</b>	<b>30,371,547,311</b>	<b>15,582,455,661</b>	<b>2,514,244,025</b>	<b>2,578,619,861</b>	<b>5,675,947,561</b>	<b>26,351,267,108</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 2022**

SECTOR	INTER-CROP FIRE COMPENSATION			TRANSPORT ALLOWANCE		TOTAL FIRE COMPENSATION [Rs]
	Eligible Accounts	HE Burnt [Ha]	Net Compensation [Rs]	Eligible Accounts	Transport Refund [Rs]	
NORTH	9	12.656	558,938	4	21,099	580,037
SOUTH	15	27.494	1,050,279	7	213,634	1,263,913
EAST	5	39.113	1,515,237	-	-	1,515,237
WEST	3	4.015	180,313	-	-	180,313
CENTRE	6	16.066	730,685	-	-	730,685
<b>TOTAL</b>	<b>38</b>	<b>99.344</b>	<b>4,035,452</b>	<b>11</b>	<b>234,733</b>	<b>4,270,275</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>
<b>2022</b>	21,917	21,000	<b>21,715</b>



**Table IV: Event Year**

AREA/SECTOR	2018 <sup>1</sup>	2019	2020	2021 <sup>2</sup>	2022
<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 2022**

ENLARGED FACTORY AREA	Planters	Area Harvested	Cane Weight	Sugar Accrued	Insurable Sugar	General Premium	Fire Premium	General Compensatio n
	(Count)	(Hectares)	(Tonnes)	(Tonnes)		(Rupees)		
TERRA	984	1,207	83,627	7,116	6,846	8,252,120	154,490	----
ALTEO	2,838	2,697	151,176	11,111	12,331	23,134,810	260,000	----
OMNICANE	1,535	1,525	81,558	6,318	7,239	12,977,567	153,853	----
<b>ISLAND</b>	<b>5,357</b>	<b>5,429</b>	<b>316,361</b>	<b>24,544</b>	<b>26,416</b>	<b>44,364,497</b>	<b>568,343</b>	<b>----</b>

**Table VI: Millers, Crop 2022**

ENLARGED FACTORY AREA	Sugar Accrued	Insurable Sugar	General Premium	Fire Premium	General Compensation
	(Tonnes)		(Rupees)		
TERRA	16,920	18,595	21,477,779	616,878	----
ALTEO	16,709	21,178	37,535,706	701,286	----
OMNICANE	17,303	19,682	34,966,164	594,494	----
<b>ISLAND</b>	<b>50,932</b>	<b>59,455</b>	<b>93,979,649</b>	<b>1,912,658</b>	<b>----</b>

Table VII: Area Harvested &amp; Cane Weight, Crop 2022

ENLARGED FACTORY AREA		GROWING UNIT (SMALL) 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)	279	310	387	472	284	318	888	<b>2,937</b>	7,453	<b>10,390</b>
	Cane Weight (Tonnes)	18,666	20,657	26,802	31,982	16,736	21,125	53,789	189,092	498,853	<b>688,610</b>
ALTEO	Area Harvested (Hectares)	600	950	954	1,131	678	123	-	<b>4,436</b>	9,797	<b>14,233</b>
	Cane Weight (Tonnes)	34,467	52,560	50,734	60,618	33,348	5,488	-	236,434	585,301	<b>822,516</b>
OMNICANE	Area Harvested (Hectares)	411	451	483	566	350	375	614	<b>3,250</b>	8,621	<b>11,872</b>
	Cane Weight (Tonnes)	22,832	23,332	25,841	29,780	17,965	14,700	48,303	182,465	562,926	<b>745,680</b>
ISLAND	Area Harvested (Hectares)	<b>1,290</b>	<b>1,710</b>	<b>1,824</b>	<b>2,169</b>	<b>1,312</b>	<b>815</b>	<b>1,503</b>	<b>10,623</b>	<b>25,871</b>	<b>36,494</b>
	Cane Weight (Tonnes)	<b>75,965</b>	<b>96,549</b>	<b>103,377</b>	<b>122,381</b>	<b>68,048</b>	<b>41,314</b>	<b>102,092</b>	<b>607,991</b>	<b>1,647,080</b>	<b>2,256,806</b>

Table VIII: Number of Insured Accounts, Sugar Produced &amp; Insurable Sugar, Crop 2022

ENLARGED FACTORY AREA		GROWING UNIT (SMALL) 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	1,121	436	282	156	41	12	5	2,053	4	1	2,058
	Sugar Accrued (Tonnes)	1,556	1,718	2,232	2,678	1,444	1,802	4,770	16,200	43,573	16,920	76,692
	Insurable Sugar (Tonnes)	1,602	1,754	2,193	2,675	1,551	1,799	5,030	16,603	49,326	18,595	84,525
ALTEO	Number of Insureds	2,406	1,301	689	381	96	10	-	4,883	6	1	4,890
	Sugar Accrued (Tonnes)	2,543	3,747	3,705	4,525	2,476	412	-	17,408	45,109	16,709	79,226
	Insurable Sugar (Tonnes)	2,814	4,319	4,341	5,145	3,051	506	-	20,176	54,905	21,178	96,258
OMNICANE	Number of Insureds	1,589	626	345	188	51	18	4	2,821	16	1	2,838
	Sugar Accrued (Tonnes)	1,757	1,784	1,988	2,302	1,396	1,164	3,841	14,232	46,545	17,303	78,080
	Insurable Sugar (Tonnes)	1,966	2,137	2,286	2,670	1,630	1,775	2,910	15,374	54,406	19,682	89,461
ISLAND	Number of Insureds	5,116	2,363	1,316	725	188	40	9	9,757	26	3	9,786
	Sugar Accrued (Tonnes)	5,857	7,249	7,924	9,505	5,316	3,379	8,611	47,840	135,227	50,894	233,999
	Insurable Sugar (Tonnes)	6,381	8,210	8,820	10,490	6,233	4,080	7,939	52,153	158,637	59,455	270,245

Table IX: General Premium &amp; Compensation, Crop 2022

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)	1,930,515	2,114,167	2,642,972	3,224,235	1,870,218	2,169,075	6,062,998	<b>20,014,180</b>	64,118,185	21,477,779	<b>105,610,144</b>
	General Compensation (Rs)	--	--	--	--	--	--	--		--	--	
ALTEO	General Premium (Rs)	5,279,162	8,103,561	8,143,481	9,652,317	5,724,130	948,603	-	<b>37,851,254</b>	98,420,636	37,535,706	<b>173,807,596</b>
	General Compensation (Rs)	--	--	--	--	--	--	--		--	--	
OMNICANE	General Premium (Rs)	3,524,073	3,830,827	4,099,187	4,787,323	2,922,942	3,181,425	5,216,428	<b>27,562,205</b>	96,126,024	34,966,164	<b>158,654,393</b>
	General Compensation (Rs)	--	--	--	--	--	--	--		--	--	
ISLAND	<b>General Premium (Rs)</b>	10,733,750	14,048,555	14,885,640	17,663,875	10,517,290	6,299,103	11,279,426	<b>85,427,639</b>	<b>258,664,845</b>	<b>93,979,649</b>	<b>438,072,133</b>
	<b>General Compensation (Rs)</b>	--	--	--	--	--	--	--		--	--	--

Table X: Past Years Data (2011 – 2022)

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%
2022	9,786	36,494	2,256,806	233,999	270,245	438,072	-	-	13.4%

<sup>3</sup> 70% discount on general premium<sup>4</sup> 100% discount on general premium<sup>5</sup> 100% discount on general premium

## ADDRESS OF SUB OFFICES /OUTLETS



<b>Sub-Offices / Outlets (open on Wednesdays only except Public Holiday)</b>	<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



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