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# **Food and Agricultural Research and Extension Institute**



**Annual Report  
2014**

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## Chairperson's Statement

I have the honour to submit the Annual Report of the Food and Agricultural Research and Extension Institute (FAREI) over the period 14 February 2014 to 31 December 2014 in accordance with the provision of Section 7 (1) and (2) of the Statutory Bodies (Accounts and Audit) Act 10/2017.



Hemraj Woodun  
Chairperson

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## Chief Executive Officer's Statement

The report covers the activities of the Food and Agricultural Research and Extension Institute (FAREI) for the period 14 February 2014 to 31 December 2014 following the merging of the Food and Agricultural Research Council and Agricultural Research and Extension Unit with a view to optimise the human resources and improve the quality of services offered to the farming community and to better respond to stakeholders' needs.

The vision and mission as well as the strategy of the Institute were reviewed accordingly.

During the year, focus was on the introduction and evaluation of new germplasm and development of new varieties; improvement in crop and livestock productivity and quality and evaluation of agricultural input. Emphasis was also laid on crop protection, pest and disease surveillance, feeding strategies for livestock, conservation of animal genetic resources and value addition.

Additional responsibilities were assigned to livestock in terms of management of imported breeding animals in the Richelieu Quarantine Station and their sale thereafter.

Training of farmers/entrepreneurs and implementation and monitoring of schemes under the Food Security Fund were maintained.



Seelavarn Ganeshan  
Chief Executive Officer

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## Section 1: Vision, Mission, Objectives, Strategy, Services Provided and Linkages

### VISION

To help steer and promote the sustainable development of the National Agri-food System through the efficient and effective application of Research, Development and Training (RDT)

### MISSION

To support and implement priority RDT programmes and projects and appropriate technologies for food security and to enhance competitiveness, sustainability and stakeholder equity across the agri-food value chains

### OBJECTIVES

- a. Introduce, develop and promote such technologies in the food and non-sugar agricultural sector within a sustainable framework;
- b. Co-ordinate, promote, and harmonise research activities in the non-sugar agricultural, food production and forestry sectors;
- c. Promote and encourage agricultural and agri-business development through the setting up of agricultural youth clubs and agricultural women and agricultural entrepreneur clubs; and
- d. Promote dissemination and practical application of the results.

### STRATEGY

The Institute's approach is to implement strategic and adaptive research in a participatory framework with stakeholders in response to national requirements to improve farm productivity and income. Integrating ICT potential, the FAREI also seeks to ensure that there is a rapid transfer of innovative practices developed into relevant production systems for the benefit of growers, consumers and the environment.

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## SERVICES PROVIDED

- Evaluation of agricultural inputs
- Training of farmers in production practices and agro-processing
- Advisory service
- Pest and disease diagnostics
- SMS disease alert
- Seed treatment facility (Hot water treatment)
- Interface between the farming community and service providers
- Information dissemination
- Facilitating access to incentive schemes and inputs and animals
- Agro-Processing Resource Center for product development
- Agricultural Production and Information System (APMIS)

## LINKAGES

The FAREI works closely with both public and private sector organisations as well as international research and development institutions for the common goal of optimising its strategic role. Linkages and participatory collaboration with stakeholders and farmer associations in the elaboration of our research and development agenda are also of high priority.

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## Section 2: Organisational Structure

### ORGANISATIONAL STRUCTURE

The FAREI came into operation on 14 February 2014 by virtue of section 24 of the FAREI Act 2013, further to the repeal of the Food and Agricultural Research Council Act 1985. It operates under the aegis of the Ministry of Agro Industry and Food Security (MAIFS).

The FAREI arose out of the merger of the Food and Agricultural Research Council (FARC) and the Agricultural Research and Extension Unit (AREU). It has been established with a view to improving the cost-effectiveness, quality of services and optimal use of human resources in both organisations.

The FAREI is administered by a Board and is managed by a Chief Executive Officer who is also the Accounting Officer and is responsible for the control and management of the day-to-day business. Its management team comprises three Assistant Directors.

The FAREI's research and development programme is conducted by the following departments:

#### **Crop Research Department**

Agronomy, Vegetable and Ornamental, Fruit Research, Resource Management, Plant Pathology and Entomology Divisions

#### **Livestock Department**

Animal Production and Animal Health Divisions

#### **Extension and Training Department**

Crop, Livestock and Information and Training Divisions

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## Crop Research

- *Agronomy and Crop Production*

Research aims at the establishment of sustainable production systems and the development of improved cropping technologies.

The research programme focuses on the development of novel varieties through breeding and biotechnology, optimal resource management and value addition through agro-processing.

- *Plant Protection (Plant Pathology and Entomology)*

The objective of the programme is to develop and implement integrated pest and disease management systems in food crop production so as to minimise the use of pesticides and ensure safe food.

## Livestock Research

Our Research thrusts aim to respond to farmers' needs in raising the production and productivity of livestock enterprises by developing improved management practices and techniques, feeding packages using locally available feed resources, the introduction of improved breeds and genetic improvement, the conservation and utilisation of animal genetic resources.

## Extension and Training

The Extension and Training Department aims at increasing farmers' knowledge and the skill to improve their productivity and income. This is effected by timely cost – effective technology transfer of innovative practices through a client focus and participatory approach. The Department has a comprehensive network of sub offices, model farms and the Farmer Training School to meet the objectives. With the growing challenges in agriculture, the thrust is towards professionalising farm activities; promoting value addition activities and agribusiness development.

## Support Services

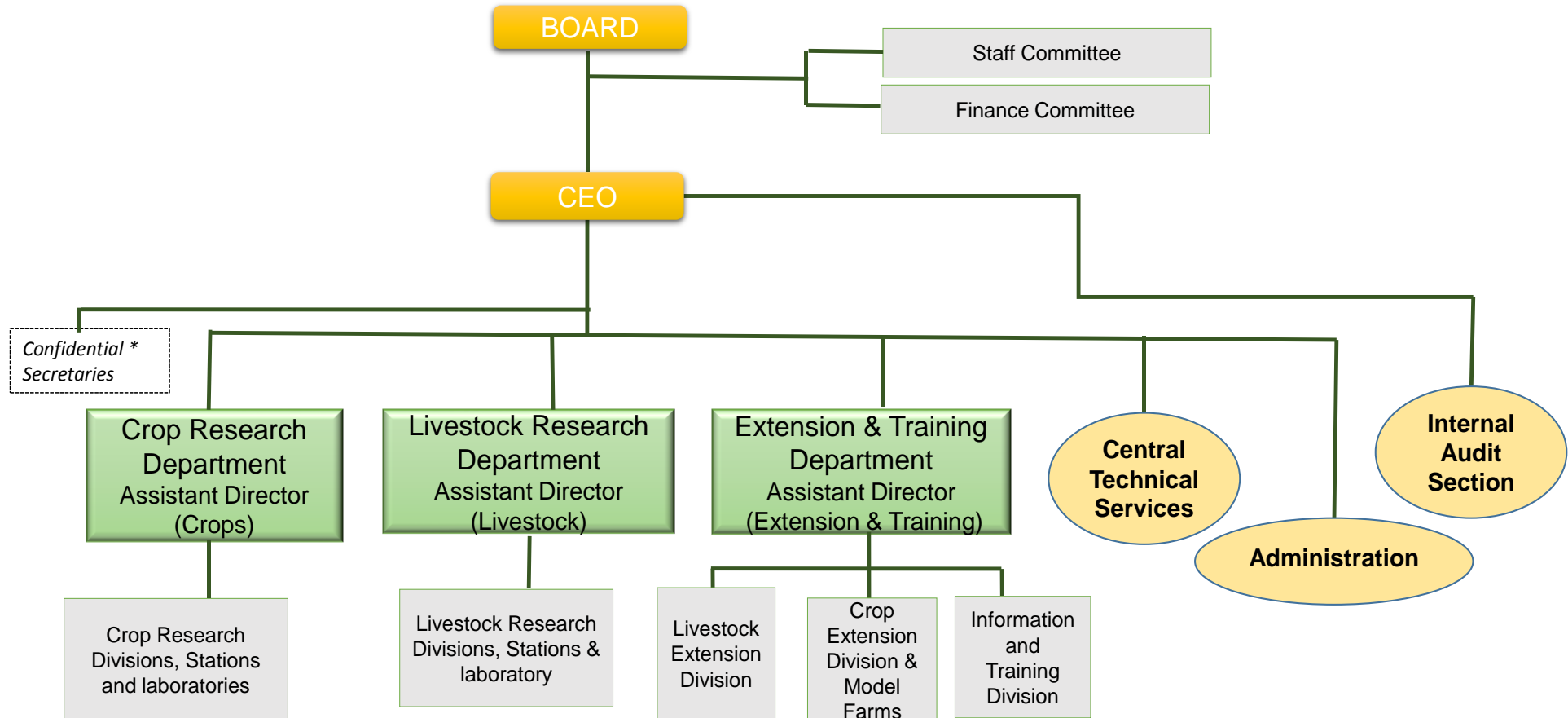
The Biometry and Engineering Divisions; the Economic, Business Development and IT units are cross-cutting entities and work with the various sections to ensure that FAREI's research is problem-oriented and quality-controlled, to develop appropriate technologies in - farm mechanisation, irrigation, protected cultures and agro-processing and to support the provision of agricultural information.

The administration section assists management to achieve government goals and support research and development activities so as to ensure effective management of overall activities and ensure good Corporate Governance.

The main office of business of the FAREI is at Réduit. However, research and development activities as well as services to the agricultural community also take place at the following facilities: Wooton Crop Research Station, Réduit Crop Research Station, Richelieu Crop Research Station, Curepipe Livestock Research Station, Mapou Model Farm, Flacq Model Farm, Plaisance Demonstration Centre, Rivière des Anguilles Demonstration Centre, Pamplemousses Organic Research Station and Belle Mare Centre.



# Food and Agricultural Research and Extension Insititute Organigramme



- Confidential Secretaries report to the Chief Executive Officer and Assistant Directors

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## Section 3: Technical Highlights

### Crop Research and Development

#### Introduction

In 2014, Research and Development activities were focussed on the introduction and evaluation of new germplasm and agricultural inputs, development of new crop varieties, improvement in crop productivity and quality and crop protection.

#### New Germplasm

Three hundred and nine new vegetable crop varieties were evaluated in different agro-climatic regions both for open field cultivation and under hydroponics system. Of these, 92 were found promising in terms of their yield and have been retained for further evaluation in 2015. Four tomato, three chilli and three English cucumber varieties were released for commercial cultivation.

#### Breeding

Conventional breeding of onion, potato, bean, pea and tomato is being implemented. Maintenance breeding on bean Long Tom, onion Local Red and cauliflower (local) to maintain genetic purity and to produce a nucleus stock of seeds has been initiated. Mutation breeding is being carried for disease resistance in taro, tomato for heat tolerance, short day cauliflower for resistance to pink root disease and salinity tolerance.

#### Promotion of Recommended Varieties of Lima Bean and Dry Bean

New varieties of lima bean were released in 2013. In 2014, an island-wide demonstration programme for these varieties was carried out. Seeds (132kg) were distributed to 74 growers. More than 50% of them had shown interest in growing these varieties.

These varieties were also promoted in backyards and some 17kg seeds were distributed to Agricultural Youth and Women Clubs. About 200 members involved in backyard production showed interest in the continued production of both lima bean and dry bean.

#### Biotechnology

- **Banana**

*In-vitro* propagation of six cultivars of banana was pursued as per demand from growers. *In vitro* multiplication of 11 accessions of banana imported from Belgium was undertaken for research purpose. 6,911 banana plants (cv Williams, Petite Naine, Goldfinger, Local Gingely, Ollier and Mammoul) were sold and 61 supplied for research and on-farm trials.

- **Breadfruit**

*In-vitro* propagation of breadfruit was undertaken as per demand. 323 breadfruit plants were produced. 243 of them were sold; 80 were supplied for research and on-farm trial.

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- **Potato**

The local potato clone 14-2, derived from a breeding and selection programme initiated in 2002 was found to be promising in terms of yield and tuber characteristics. A seed multiplication scheme has been initiated to produce elite planting materials. TA protocol for *in-vitro* initiation and multiplication was developed and 1,500 *in-vitro* plantlets were produced.

- **Fodder**

*Calliandra calothyrsus* is used as fodder in deer farming and is difficult to propagate by vegetative means. Sterilisation protocol for *in-vitro* initiation of *Calliandra* seeds has been optimized.

- **Arundo donax**

*Ex-vitro* plantlets of *Arundo donax* (bio-fuel plant) imported by Equilibre Bioenergy Production Co. Ltd were acclimatized. The protocol for rapid *in-vitro* initiation, regeneration and multiplication for the local clone was developed and 500 *in-vitro* plantlets were produced.

- **Anthurium**

*In-vitro* propagation and maintenance of *in-vitro* cultures of six Anthurium varieties were undertaken for contractual supply to growers.

- **Giant Nenuphar**

Production of *in-vitro* plants of Giant Nenuphar (*Victoria amazonica*) for the Sir Seewoosagar Ramgoolam Botanical Garden (SSRBG) was initiated in November 2013. 14 semi-hardened plants were supplied to SSRBG in 2014. A protocol for *in-vitro* seed germination has been developed.

## Improvement in Crop Productivity

Five new fertilisers namely *Kengrow foliage*, *HumiTop*, *Gaunofix*, *Biocult Mycorrhizae* and *Biosoil Action 5* were evaluated and found effective.

## Fertigation

- **Protected Cultivation**

A 40% increase in mean curd weight in cauliflower with fertigation compared to conventional practice was observed. More than 50% increase in fruit number/plant and 35.5 to 38.5% higher fruit yield were recorded in sweet pepper under fertigation compared to drip irrigation at the same standard recommended fertiliser rate.

- **Open-Field Cultivation**

A 10-26% increase in broccoli curd weight was recorded under fertigation compared to conventional drip irrigation with same fertiliser rate. With sweet pepper 50% more fruits /plant and 60.7% higher fruit yield was obtained with fertigation compared to drip irrigation + granular fertiliser application at the same standard fertiliser rate. For onions 52.7% increase in bulb yield was recorded under fertigation as compared to drip irrigation with granular fertiliser application at the same standard fertiliser rate.

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## Integrated Pest and Disease Management

- **Biological control of papaya mealy bug**

The papaya mealy bug, *Paracoccus marginatus* was detected in Mauritius in January 2013. It caused serious damage to papaya plants and ornamentals. In November 2013, an exotic parasitoid, *Acerophagus papaya*, was introduced from India for its control. The parasitoid was multiplied in laboratory and released in orchards and backyards island-wide. During 2014, about 11,000 adult parasitoids were released in 85 localities. Up to 95% parasitism was recorded in nymphs of *P. marginatus*. The pest had been successfully controlled.

- **Biological Control of Whitefly, *Bemisia argentifolii*, in Greenhouses**

The whitefly is an important pest on tomato in greenhouses. Until 2013, its control was based on insecticides. A parasitoid, *Encarsia* sp., was recovered in 2013 and multiplied in laboratory.

During January 2014, about 200 adults of *Encarsia* sp. (2 batches of 100 on 2 consecutive weeks) were released in greenhouses under tomato cultivation at Réduit, Bassin and Mont Ida. Three weeks after release, *Encarsia* sp. was recovered at Réduit and Mont Ida but not at Bassin where insecticides application by planter affected the parasitoid. Two months after releases, parasitism of *B. argentifolii* at Réduit and Mont Ida was 83% and 77% respectively. Consequently, no insecticides application was required against the pest in the greenhouse at Réduit. Insecticide application in the greenhouse at Mont Ida was reduced by 60%.

- **Biological Control of the Red Spider Mite, *Tetranychus urticae* in Greenhouses**

*Tetranychus urticae* is a serious pest on vegetable and ornamental crops in the open field and greenhouses. In greenhouses, farmers apply acaricides on a calendar basis for control of the pest.

The existing predator of *T. urticae*, *Phytoseiulus persimilis*, was produced in laboratory and released in 22 greenhouses. Consequently, no pesticides were applied in 13 of the greenhouses. The number of pesticide applications in the other greenhouses was reduced by 75%.

- **Pest Management in Okra**

The leafhopper, *Amrasca biguttula*, is a major pest of okra. As insecticides did not provide effective control of pest, a search for its natural enemies was undertaken during 2014. An egg parasitoid, *Anagrus flaveolus*, was recovered from untreated okra plots. A technique to rear the parasitoid in laboratory was developed and its efficacy against *A. biguttula* will be tested in 2015.

- **Pest and Disease Surveillance**

The surveillance programme was maintained during the year to monitor existing pests and diseases of economic importance and also to detect exotic ones. Two new pests were detected namely the mite, *Dolichotetranychus floridanus* along with its predator, *Neoseiulus paspalivorus* on pineapple at St Antoine and the pink hibiscus mealybug, *Maconellicoccus hirsutus* on hibiscus at Coromandel. Freckle disease is caused by the fungal pathogen *Phyllosticta cavendishi* on banana. Initially an incidence of 50% was reported for the disease. Management strategies were devised for the disease and disseminated to growers.

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A potyvirus on passion fruit namely, Cowpea aphid-borne mosaic virus (CABMV) was detected in Mauritius. Its economic importance is being determined. Four outbreaks of the soft scale, *Icerya seychllarum*, on litchi, mango and guava in the North and West, the mealy bug, *Phenacoccus madeirensis* on sweet pepper and tomato in greenhouses at Réduit and on tomato in greenhouse at Crève Coeur, the mealy bug, *Phenacoccus solenopsis* on hibiscus in the West occurred. Alert sheets were disseminated among planters.

- **Testing of New Products**

Out of the 21 products tested against pests, four chemical insecticides, eight bio-pesticides and four traps were found effective.

Six new fungicides were tested and found effective against late blight on tomato and potato, powdery mildew on squash and against Powdery mildew and Asperisporium disease complex on papaya.

- **Screening of New Varieties for Resistance to Major Diseases**

Evaluation of new crop varieties for resistance to diseases was continued in 2014. Ten crop varieties found to be resistant to diseases of cauliflower, potato, and tomato.

### **Assistance to the planting community**

FAREI assisted growers in onion seed production under the Quality Declared Seed Scheme. 87.5kg of onion seeds [var. Francia (41kg) and Bellarose (46.5kg)] were produced by 5 growers; and 3.27t of onion mother bulbs [Bellarose (3.27t) and Francia (3.71t)] were selected, cured and stored for use as planting material for year 2015.

Seed Health Testing was carried out for 97 seed lots of 18 vegetable crops. Testing was carried out on about 685 tonnes of locally produced potato Spunta seeds for freedom of viruses. 54 tonnes of seeds showed virus infection higher than the 40% threshold level.

- **Pest and Disease Diagnosis**

- 1082 plant samples were diagnosed and recommendations of appropriate solutions made.
- 22 online diagnostic cases were catered for and appropriate recommendations provided.
- 10 Disease Alerts by SMS were disseminated to warn planters about possible imminent occurrence of specific diseases of economic importance due to prevailing agro-metrological conditions.

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## Livestock Research and Development

### Introduction

The Livestock Research Department maintained its research activities on animal nutrition, fodder production and conservation, reproductive management, milk processing and product development, conservation of farm animal genetic resources and climate change, among others. Activities also focused on development of infrastructural facilities for research with emphasis on breeding programmes in view of producing quality breeding animals to the farming community.

Assistance was provided to the Ministry in the importation and management of breeding animals in the quarantine station prior to their sale to farmers.

### Research and Development Activities

- **Nutritional Studies**

A survey of feeding practices on 258 dairy farms was completed within the implementation of the project “Improvement of Dairy Productivity through Better Nutrition by Using Locally Available Forage and Browse Species” funded by the IAEA. In vitro studies were also carried out to evaluate the effect of replacing concentrate feed with browse species. The Ruminant Research Facility was relocated, upgraded and strengthened in terms of acquisition of equipment and capacity building in analysis of feedstuffs. A Rusitec apparatus, to be used for digestibility studies was purchased to minimize the manipulation of fistulated bull.

Feeding trial were conducted to test a mixture of urea, molasses and soya bean meal as a substitute to concentrate feed in the diet of weaner cattle.

Fodder research activities comprised cultivation, evaluation and conservation of homegrown forages with focus on high protein species and assessment of productivity and nutritive value of elephant grass, Guatemala and fodder maize. Studies were also conducted to develop strategies to improve deer productivity in deer chassées.

- **Farm Animal Genetic Resources**

The nucleus herd of Creole cattle breed that was set up in 2007 at Curepipe Livestock Research Station within the conservation of Farm Animal Genetic Resources programme was maintained. Forty seven heads of creole cattle are being monitored for productive and reproductive parameters. As the National Focal point for Animal Genetic Resources the department submitted reports to the FAO and AU-IBAR on (i) legal and policy framework for Animal Genetic Resources and (ii) Policies and regulations on the management and use of animal genetic resources in Africa.

- **Pork Quality**

The carcass quality of pigs slaughtered at the Mauritius Meat Authority was assessed with respect to hot carcass weight (kg), fat depth at 10<sup>th</sup> rib (cm) with skin, carcass length (cm) and muscle score. Results showed that only 17% of the pig carcasses satisfied the desired range of all the four observed parameters.

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- **Food Safety**

Within the implementation of the project “Establishing a Food Safety Network through the Application of Nuclear and related Technologies”, IAEA funded a research activity to evaluate the status of antibiotic residues and other contaminants in cow milk at farm level. The project comprises the use of CHARM II, an equipment donated by IAEA and used for screening contaminants in food products and feed using nuclear and related techniques.

- **Goat Development**

The Belle Mare Centre was handed over to Livestock Research Department for implementation of a goat multiplier and genetic improvement project. The project was kick started under the Food Security Fund budget item “cattle/goat reproduction farm”. It involved infrastructural development, purchase of breeding goats of local and improved breed for genetic improvement and fodder cultivation at CLRS and Belle Mare Centre. A total of 46 head of local goats were purchased from 6 farmers and the current herd has increased to 103 head on both stations following upgrading programme with Boer bucks.

A grant of AUD \$ 10,000 (Rs300,000) was obtained under the Australia Awards in Africa (AAA) Alumni Small Grants Scheme for the implementation of a project to enhance the productivity of local goats through better kid management. The project started in June 2013 and financial support ended in November 2014. Monitoring of project activities is on-going.

- **Management of imported breeding animals**

On 15 August 2014, 57 pregnant Holstein/Friesian heifers, 58 Boer goats and 51 dorper sheep were imported from South Africa by the Mauritius Meat Authority for sale to farmers and were managed by FAREI in the quarantine station at Richelieu.

A total of 31 pregnant heifers, 23 goats (2 males and 21 females) and 27 sheep (2 males and 25 females) were sold to 6 dairy farmers, 3 goat farmers and 3 sheep farmers respectively. The remaining unsold animals were transferred to Curepipe Livestock Research Station and Belle Mare Centre.

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## Extension and Training Department

### Introduction

The Extension and Training Department aims at increasing farmer's knowledge and skills through a participatory approach. The core activities of the Extension and Training Department is to provide advisory services, information and training to the farming community and other stakeholders and to promote food production and increase farmers productivity/income.

### Crop Extension Activities

A total of 25,729 advisory visits to our clients with 18,691 in connection with open field food-crop production (representing 75 % of total advisory visits effected) and 14,953 office calls from farmers have been recorded. During 2014 a total of 482 Extension activities was organized and was attended by 5,323 planters. The division organised 243 group meetings based on 44 themes. 140 Field Demonstrations were carried and 42 themes demonstrated. 25 themes were developed during 54 conducted tours organized for the planters. A total of 45 trainings MQA approved courses were held and were attended by 677 beneficiaries.

The total new plantations for this year were 5,875ha. The annual production is estimated to be around 120, 000 tonnes.

- **Surveys**

52,728 food crop surveys were conducted in 2014. 1,849 additional surveys were carried out and which were related to (i) state land occupancy, (ii) pest and diseases, (iii) market price and (iv) adverse climatic conditions.

- **Strategic crops**

The potato season for 2014 started in April mainly in the centre, the total area planted is 187.8ha compared to 171ha in 2013. The second season potato crop 2014 covered a total acreage of 161.79ha and the total area for 2014 is 349ha (826 arpents).

Onion harvest started as from September 2014 and as at end of December 2014, the production was 3,722t and 41t were harvested green with the leaves. Farm gate price of onion varied between Rs24,000 to Rs28,000/ton. 2,938 Advisory visits were conducted for strategic crops, along with 16 demonstrations.

- **Planters' Liaison Meeting**

A total of 12 Planters' Liaison meetings were held in each of the four regions. 91 farmer representatives of cooperatives, water users associations, commodity groups, together with other stakeholders of commercial or other services sector participated actively in this forum.

- **Model Farms**

1,315 planters visited activities and demonstrations on Model Farms. 29 demonstrations carried out for the benefit of planters. The total revenue generated by the four model farms were Rs262,288.



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- **Other services to planters**

- Extension staff carried out 104 soil sampling and provided recommendations after laboratory analysis. 1,164 seed vouchers were allocated for seed purchased at the Agricultural Services. Extension Officers carried out 105 field assessments for crop damage due to herbicide drift. 134 Planters were assisted in their request for credit facilities at the DBM. In view of minimizing use of chemicals in disease management, 255 hot water treatments of seeds were conducted on model farms.
- 493 vegetables and fruit samples were collected (purchased) at farm gate (compare to 463 in 2013 and 208 in 2012) and forwarded to the Agricultural Chemistry Division for pesticide residue analysis.

### **Livestock Extension**

- As at 01 January 2014, there were 953 cattle farmers with 7,302 heads, 2,933 goat keepers with 27,430 goats, 162 sheep keepers with 2,211 sheep, 439 pig keepers with 15,287 pigs, 363 broiler keepers with 356,111 broilers and 329 egg producers with 201,283 layers (enumerating only those up to 5,000 birds). As at December 2014, the number of active pig breeders was 413 with a total pig population of about 16,000.
- 80 group trainings, 59 demonstrations and 29 conducted tours were held on livestock technical issues and attended by 1,231 farmers. Training materials for 2 new courses were developed – namely milk processing and poultry stockmanship. 10,017 advisory farm visits were carried out and 4,534 office calls for advisory service were entertained.
- Livestock Extension Services visited and issued *bona fide* certificates on progress of work report for 90 livestock keepers (including cow, goat, poultry and pig keepers) to access financial loan to launch or increase livestock activities.
- Support was provided to the livestock farmer community by processing applications for feed (94), molasses (85), bagasse (45), access to DBM loans (67).

### **Information and Training**

- **Publication**
  - 15 new publications were produced and released on a whole range of topics to meet the information needs of agro-entrepreneurs and farmers
  - 12,969 publications were issued to farmers and stakeholder institutions
- **Agricultural radio and TV programme / public lectures**
  - 122 radio talks on agricultural production topics were recorded and broadcasted weekly on the radio for farmers. This service provides timely information to farmers on crop and livestock production.
  - 49 important messages (Spot Agricole) on agricultural topics were broadcasted on the radio programme
  - 2 Technology Review Meetings (potato and onion) were held to review research findings and stakeholder problems

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- **Disease alerts**

12 alerts were sent by SMS on potential pest and diseases to 2,143 planters

- **Empowerment of Women and Youth**

- 30 Agricultural Youth Clubs with 1,102 members and 27 Agricultural Women Clubs with 758 members were registered with FAREI for services.
- 13 Agricultural Entrepreneur Clubs (AEC) with 311 members are engaged in commercial farming.

Training support and club activities promoted kitchen gardening, roof gardening, fruit production, compost making, mushroom production and agro-processing. Training sessions were run during school holidays for members of the Agricultural Youth Clubs.

- **Training in Agro-Processing, Post-Harvest Technology and Food Safety**

- 8 training sessions on agro-processing techniques were held and attended by 215 potential agro entrepreneurs. 33 agro-entrepreneurs used the facilities of the Agro-Processing Resource Centre at Wooton to test their processing techniques and evaluate their finished products.
- 12 conducted tours to the Wooton Agro-Processing Centre were organised with 429 participants. 31 agri-business enterprises were advised on product improvement.
- Linkage with Reunion (QUALIREG) was established for the regional cooperation among Agro Processing Resource Centres.

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## Section 4: Corporate Governance Report

The FAREI Act 2013 which was proclaimed on 14 February 2014, established the Food and Agricultural Research and Extension Institute (FAREI), which took over the functions of the Food and Agricultural Research Council (FARC) and the Agricultural Research and Extension Unit (AREU).

This restructuring exercise formed part of the Government program to reform parastatal institutions with the objective of improving their cost-effectiveness, the quality of their services and for making optimal use of human resources.

This section outlines, inter-alia, the corporate governance structures in place at the FAREI and describes the organisation of the Board's business.

### Statement of compliance

The FAREI is fully committed to attaining and maintaining the highest standards of corporate governance and is gradually taking action within its ambit to ensure compliance with the code of corporate governance for Mauritius issued by the National Committee on Corporate Governance as applicable to state owned enterprises.

### Functions of the Institute

As per section 5 of the FAREI Act 2013, the Institute shall have such functions as are necessary to further its objects most effectively and may, in particular:

- (a) conduct research in non-sugar agriculture, food production and forestry, and maximise the benefits of such research ;
- (b) conduct extension and advisory activities in non-sugar crops, livestock, food production and agri-business;
- (c) set research priorities in line with the needs of the food and non-sugar agricultural sector;
- (d) coordinate , monitor and evaluate research programmes and projects of different institutions engaged in non-sugar agriculture, forestry and food production without any prejudice to existing legislation concerning those institutions;
- (e) set up and manage research stations, model farms, greenhouses, hydroponic centres and other infrastructure for the purpose of promoting food and non-sugar agricultural technologies;
- (f) carry out, subject to approval of the Minister, such other research and related activities in non-sugar agriculture, food production and forestry; and
- (g) advise the Minister generally on national policies and other matters related to research in non-sugar agriculture, food production and forestry.

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## **Powers of the Institute**

As per section 6 of the FAREI Act 2013, the Institute shall have such powers as are necessary to attain its objects and discharge its functions most effectively and may in particular:

- a) with the approval of the Minister to whom responsibility for the subject of finance is assigned, raise such loan as may be required to finance the setting up of greenhouses, hydroponic centres and other infrastructure;
- b) rent out greenhouses, hydroponic centres and other infrastructure on such terms and conditions as it may determine;
- c) levy fees in respect of services in connection with greenhouses, hydroponic centres and other infrastructure and of transfer of any other food and non-sugar agricultural technologies;
- d) set up research advisory committees;
- e) enter into any contract in accordance with the Public Procurement Act;
- f) sell or exchange any property;
- g) receive grants and donations and raise funds; and
- h) to do such acts and things as may be necessary for the purposes of this Act.

## **Our Core Values and Principles**

### **Professionalism**

To demonstrate high level professionalism in our day-to-day initiatives in relation to the business of the Institute and to achieve continuous self-improvement

### **Commitment**

To develop the right attitude towards the job we undertake, to encourage individual initiative and to express our dedication in achieving our objects and functions

### **Integrity**

To express what we mean, to deliver what we promise and to stand for what is lawful

### **Respect**

To treat one another with dignity and fairness, appreciating the diversity of our workforce and the uniqueness of each employee

### **Trust**

To build confidence through open and frank communication

### **Honesty**

To be truthful in all our endeavors, to be honest and straightforward with one another and with our policy makers, service providers and stakeholders of the agri-food sector.

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## The Composition and Role of the Board

Section 7 of the FAREI Act 2013 provides for the Institute to be administered by a Board consisting of:

- A Chairperson to be appointed by the Minister;
- A representative of the Ministry;
- A representative of the Mauritius Chamber of Agriculture;
- A representative of the Mauritius Agricultural Marketing Cooperative Federation;
- A representative of the University of Mauritius;
- 4 persons with wide experience in food and non-sugar agricultural sector, to be appointed by the Minister.

The composition of the Board of FAREI for the period 14 February to 31 December 2014 was as follows:

Office	Name	Remarks
Chairperson	Mr Alain Noël	Appointed by Minister
Member	Mrs Tej Asha Mudhoo	Representative of Ministry of Agro Industry and Food Security
Member	Mrs Jacqueline Sauzier	Representative of Mauritius Chamber of Agriculture
Member	Mr Kavisheikur Ramsurrun	Representative of Mauritius Agricultural and Marketing Cooperative Federation
Member	Prof (Mrs) Y Jaufeerally Fakim	Representative of University of Mauritius
Member	Mr Atmanand Luchmun	Appointed by Minister
Member	Mr Kreepalloo Sunghoon	Appointed by Minister
Member	Mr Gérard de Fontenay	Appointed by Minister
Member	Mr Paul Raya	Appointed by Minister
In Attendance	Mr J Ramkissoon Mrs S Auguste	Chief Executive Officer, FAREI Administrative Manager/Board Secretary, FAREI

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### **Sub-Committees**

A structure of Board sub-committees has been set up to assist the Board in the discharge of its duties and responsibilities. Each Sub-committee operates under defined terms of reference and recommends specific matters to the Board for approval. The Sub-committees of the FAREI Board for the period under review were as follows:

- (i) Finance Committee
- (ii) Staff Committee

### **Composition of the Finance Committee and its functions:**

The composition of the Finance Committee was as follows:

Mrs T A Mudhoo	– Chairperson
Mrs J Sauzier	– Member
Mr G Cadet de Fontenay	– Member
Mr K Sunghoon	– Member

The Finance committee reviews and recommends to the Board matters pertaining to the financial situation of the FAREI, financial statements and reports, budget estimates, Tender committee and Bid Evaluation reports and award of contracts.

The Finance Committee met on one occasion during the period under review.

### **Composition of Staff Committee and its functions:**

The composition of the Staff Committee was as follows:

Mrs T A Mudhoo	– Chairperson
Dr Mrs Y Jaufeerally-Fakim	– Member
Mr K Ramsurrun	– Member
Mr A Luchmun	– Member

The Staff Committee examines and recommends to the Board matters relating to, *inter-alia*:

- Human Resource Strategies;
- Interviews, Selection and Appointment;
- Training and Development; and
- Industrial relations.

During the period under review, the Staff Committee met on one occasion.

- **Attendance records, remuneration and benefits of members:**

**Remuneration Philosophy:** During the period under review, the Chairperson and Board members were paid fees in accordance with the recommendations of the Pay Research Bureau (PRB) Report 2013 and PRB 2013 Report (Errors and Omissions).

The Chairperson’s remuneration for the period under review amounted to Rs320,000 and that of the Board members namely Mrs T A Mudhoo, Mr K Sunghoon, Mr A Luchmun, Mr P Raya, Mrs J Sauzier, Dr Y Jaufeerally-Fakim, Mr K Ramsurrun and Mr G Cadet de Fontaney totalled Rs22,155 for attending 3 Board meetings, 1 Finance committee and 1 Staff Committee.

	Board Meeting	Staff Committee	Finance Committee
Total number of meetings held	3	1	1
Mr Alain Noël	2		
Mrs Tej Asha Mudhoo	3	1	1
Mrs Jacqueline Sauzier	3		
Mr Kavisheikur Ramsurrun	1	1	
Prof (Mrs) Y.Jaufeerally Fakim	2	1	
Mr Atmanand Luchmun	3	1	
Mr Kreepaloo Sunghoon	3		1
Mr Gerard de Fontenay	2		1
Mr Paul Raya	3		

### Code of Ethics

The Code of Ethics for Public Officers serves as a guide to the everyday professional conduct of FAREI officers. The Code of Ethics also sets out the standards of correct conduct expected of Public officers to which FAREI employees have to adhere to.

The three guiding principles of the code are that the FAREI officers shall:

- (i) fulfill their lawful obligations to FAREI with professionalism, integrity and loyalty;
- (ii) perform their official duties honestly, faithfully and efficiently while respecting the rights of the public and their colleagues; and
- (iii) not to bring the FAREI into disrepute through their private activities.

### Related Parties’ Transactions

There has not been any related party transaction during the period under review.

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## **Safety and Health Policy**

As a caring and responsible employer, the FAREI is committed to providing and maintaining a healthy, safe and secure working environment for its employees. It believes in raising awareness on health issues that are imperative in the prevention of accidents and improving the well-being of its staff.

## **Statement of Directors' responsibility**

The FAREI acknowledges its responsibilities for:

- adequate accounting records and maintenance of effective internal control systems;
- the preparation of financial statements which fairly present the state of affairs of the Institute 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); and
- the selection of appropriate accounting policies supported by reasonable and prudent judgments.

The Director of Audit of the National Audit Office is responsible for reporting on whether the financial statements are fairly presented.

The Board of Directors report that:

- adequate accounting records and an effective system of internal control have been maintained;
- appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- applicable accounting standards have been adhered to; and
- the Code of Corporate Governance as applicable to State-Owned Enterprises has been adhered to.



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### Directors' Statement for Internal Control

The FAREI acknowledges its responsibility for the setting up of adequate systems of Internal Control and for the setting up of appropriate policies to provide reasonable assurance that the control objectives have been attained. The activities of the Institute are closely monitored by the Board and its Sub-Committees. Procedures and policies are well documented and consistently applied. Management has the relevant experience and skills to ensure proper running of the Institute.

An effective system of Internal Control providing for the following has been implemented:

- proper segregation of duties whereby the different functions in process are cross-checked and verified;
- follow up and implementation of the recommendations of the Director of Audit by the divisions concerned in order to improve processes and to ensure proper accountability;
- adequate supervision of duties performed by staff members;
- the assets of the Institute are properly safeguarded;
- all cheques issued by the Institute are signed by two authorized signatories;
- compliance with relevant laws, rules and regulations;

Signed on behalf of the FAREI Board on 19/04/18



H Woodun  
Chairperson



Board Member

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**Section 5:  
Report of the Director of Audit and  
Financial Statements 2014**

**REPORT OF THE DIRECTOR OF AUDIT**

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**REPORT OF THE  
DIRECTOR OF AUDIT**

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DIRECTOR OF AUDIT

**On the Financial Statements  
of the Food and Agricultural Research and Extension  
Institute for the period 14 February to 31 December 2014**

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**NATIONAL AUDIT OFFICE**

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# NATIONAL AUDIT OFFICE

## **REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE FOOD AND AGRICULTURAL RESEARCH AND EXTENSION INSTITUTE**

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Food and Agricultural Research and Extension Institute (FAREI) which comprise the statement of financial position as of 31 December 2014, and the related statement of financial performance, statement of changes in net assets/equity and cash flow statement for the period 14 February to 31 December 2014 and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Basis for Qualified Opinion**

### ***Property, Plant and Equipment – Rs 49,280,190***

The cost and the carrying amount of Property, Plant and Equipment totalled Rs 159,515,949 and Rs 49,280,190 respectively whereas the cost as per the Fixed Asset Register, totalled Rs 114,603,445. The discrepancy of Rs 44,912,504 could not be explained. Hence, the completeness, valuation and existence of Property, Plant and Equipment could not be ascertained.

The assets of the ex-Food and Agricultural Research Council (FARC) were vested in the Institute with the coming into operation of the FAREI Act on 14 February 2014. No survey was carried out at time of transfer of assets.

Additions made to buildings, amounting to Rs 2,868,831, were not capitalised. Fully depreciated assets, namely motor vehicles, heavy duty field equipment, laboratory equipment and greenhouse have been taken over at zero value. No impairment test was carried out, contrary to IPSAS 17.

### ***Payables – Rs 3,804,846***

Expenditure incurred during the period totalling Rs 2,930,821 were not accrued in the accounts.

### ***Capital Grant – Rs 23,604,675***

This figure, representing fund remaining after financing of ongoing schemes and projects, was wrongly accounted as capital grant, contrary to IPSAS 23.

### ***Transfers from Government – Rs 242,119,713***

Included in the above figure was capital grant amounting to Rs 81,567,887, of which a sum of Rs 66,893,991 was transferred to Accumulated Deficit. The balance of Rs 14,673,896 did not tally with the amount of Rs 12,436,087 as per Note 18, as having been utilised to finance ongoing projects.

### ***Financial Instruments***

Financial instruments such as receivables, payables, borrowings and cash and cash equivalents, have not been disclosed in the Notes to the Accounts, contrary to IPSAS 30.

### ***Cash Flow Statement***

Increase in Payables of Rs 1,240,835 was wrongly accounted as Rs 164,174.

Capital grant received from the Parent Ministry and other organisations, totalling Rs 20,334,638 and the amount of Rs 12,814,568 utilised therefrom, were netted off as "Movement in capital grant".

Car loan granted to staff and refunds amounting to Rs 5,325,460 and Rs 6,984,945 respectively were not accounted for in Cash Flows from Financing Activities.

Movement in employee benefits amounting to Rs 1,291,532 was not included in Adjustments for Non-Cash Transactions.

#### ***Statement of Changes in Net Assets/Equity***

The accumulated deficits brought forward from ex-FARC amounting to Rs 103,962,355 did not tally with the opening balance of Rs 104,015,760.

Net Assets/Equity in the Statement of Financial Position amounting to Rs (29,327,551) did not tally with the closing balance figure of Rs (52,932,226) as shown in the Statement of Changes in Net Assets/Equity.

#### ***Presentation of Budget information in Financial Statements***

The Statement of reconciliation of actual cash flows with Statement of financial performance and that showing the reasons for variances between the original and revised budget, were not prepared as per IPSAS 24.

### **Opinion**

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the Food and Agricultural Research and Extension Institute as of 31 December 2014, and of its financial performance and its cash flows for the period 14 February to 31 December 2014 in accordance with International Public Sector Accounting Standards.

#### **Emphasis of Matter**

Without qualifying my opinion, I draw attention to the following matter:

The FARC ceased to exist on 13 February 2014 with the coming into operation of the Food and Agricultural Research and Extension Institute (FAREI) Act on 14 February 2014. Section 23(2)(i) of the Act stipulates that the assets and funds of FARC should at the commencement of this Act vest in the Institute. The assets and liabilities of the FARC have been vested in the Institute on 14 February 2014 at their net book values following legal advice.

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

##### ***Management's Responsibility***

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



### ***Auditor's Responsibility***

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

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

### **Opinion on Compliance**

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

The financial statements for the period 14 February to 31 December 2014 were submitted to the National Audit Office (NAO) on 21 April 2017, that is some 23 months after the statutory date limit of 30 April 2015. Due to material misstatements, these were amended and re-submitted on 20 September 2018. No annual report was submitted to the NAO at time of submission of the financial statements on 21 April 2017. The annual report was submitted on 26 July 2018, that is more than 38 months after the statutory date limit. It was amended and re-submitted on 20 September 2018.

In my opinion, except for the late submission of the annual report, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Statutory Bodies (Accounts and Audit) Act.

#### ***Public Procurement Act***

The Food and Agricultural Research and Extension Institute is responsible for the planning and conduct of its procurement. It is also responsible for defining and choosing the appropriate method of procurement and contract type in accordance with the provisions of the Act and relevant Regulations. My responsibility is to report on whether the provisions of Part V of the Act regarding the Bidding Process have been complied with.

In my opinion, the provisions of Part V of the Act have been complied with as far as it appears from my examination of the relevant records.



**K.C. TSE YUET CHEONG (MRS)**  
Director of Audit

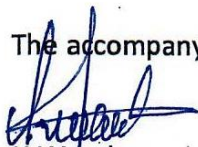
National Audit Office  
Level 14,  
Air Mauritius Centre  
**PORT LOUIS**

8 November 2018

**FOOD AND AGRICULTURAL RESEARCH AND EXTENSION INSTITUTE**  
**STATEMENT OF FINANCIAL POSITION AS AT**  
**31 DECEMBER 2014**

	Notes	2014 Rs
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	7	51,499,365
Receivables	8	6,566,303
		<u>58,065,668</u>
<b>Non-current assets</b>		
Receivables	9	16,651,840
Property, plant and equipment	10	49,280,190
Intangible assets	11	518,510
		<u>66,450,540</u>
<b>Total assets</b>		<b><u>124,516,208</u></b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	12	3,804,846
Current portion of long term borrowings	13	5,255,671
Employee benefit	14	11,344,459
		<u>20,404,976</u>
<b>Non-Current Liabilities</b>		
Long term provisions	15	62,079,690
Long term borrowing	16	16,068,515
Retirement benefit obligations	17	55,290,578
		<u>133,438,783</u>
<b>Total Liabilities</b>		<b><u>153,843,759</u></b>
<b>Net Liabilities</b>		<b><u>(29,327,551)</u></b>
<b>NET ASSETS /EQUITY</b>		
Capital contributed by		
Capital grant	18	23,604,675
Accumulated deficits		<u>(52,932,226)</u>
		<b><u>(29,327,551)</u></b>

The accompanying notes form an integral part of the financial statements



H Woodun  
Chairperson FAREI Board



I Rugjee (Mrs)  
Board Member

Approved by the Board on 20/01/15



<b>FOOD AND AGRICULTURAL RESEARCH AND EXTENSION INSTITUTE</b>		
<b>STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD</b>		
<b>14 FEBRUARY 2014 TO DECEMBER 2014</b>		
	<b>Notes</b>	<b>Rs</b>
<b>Revenue</b>		
Transfers from government	19	242,119,713
Transfers from other entities	20	6,362,890
Other revenue	21	10,988,726
<b>Total Revenue</b>		<b>259,471,329</b>
<b>Expenses</b>		
Salaries and employee benefits	22	222,251,221
Supplies and consumables used	23	26,119,991
Depreciation and amortisation expense	24	9,253,793
Other expenses	25	17,887,866
<b>Total Expenses</b>		<b>275,512,872</b>
<b>Deficit for the period</b>		<b>(16,041,543)</b>

**FOOD AND AGRICULTURAL RESEARCH AND EXTENSION INSTITUTE  
STATEMENT OF CHANGES IN NET ASSETS/ EQUITY FOR THE PERIOD  
14 FEBRUARY 2014 TO 31 DECEMBER 2014**

	Contributed Capital Rs	Accumulated surpluses/ (deficits) Rs	Total Net Assets/ Equity Rs
Balance as at 14 February 2014 b/f from ex-FARC	83,209,682	(104,015,760)	(20,806,078)
Unutilised capital grant for ongoing projects reclassified as liability	(16,084,605)		(16,084,605)
Unutilised capital grant recognised as surplus	(67,125,077)	67,125,077	
Deficit for the period	<u>                    </u>	<u>(16,041,543)</u>	<u>(16,041,543)</u>
Closing balance at 31 December 2014	<u>0</u>	<u>(52,932,226)</u>	<u>(52,932,226)</u>

**FOOD AND AGRICULTURAL RESEARCH AND EXTENSION INSTITUTE**  
**CASH FLOW STATEMENT FOR THE PERIOD**  
**14 FEBRUARY 2014 TO 31 DECEMBER 2014**

	Rs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Deficit for the period	(16,041,543)
Interest received	(1,139,174)
<b>Non-cash movements</b>	
Depreciation for the period	9,105,414
Amortisation of intangible asset	148,379
Gain on disposal of fixed assets	(130,174)
Increase in retirement benefit obligations	7,277,251
Decrease/(Increase) in receivables	1,258,969
(Decrease)/Increase in payables	164,174
<b>Net cash flows from operating activities</b>	<b><u>643,295</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment	(5,040,294)
Purchase of intangible assets	(227,204)
Proceeds from disposal of fixed assets	709,254
Interest received	1,139,174
<b>Net cash flows from investing activities</b>	<b><u>(3,419,070)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Movement in capital grant	7,518,164
<b>Net cash flow from financing activities</b>	<b><u>7,518,164</u></b>
<b>Net Increase/( decrease) in cash and cash equivalents</b>	<b><u>4,742,390</u></b>
<b>Cash and cash equivalents brought forward from FARC</b>	<b><u>46,756,975</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u>51,499,365</u></b>
<b>Cash and cash equivalents consist of</b>	
<b>Cash and bank balances</b>	<b><u>51,499,365</u></b>

**FOOD AND AGRICULTURAL RESEARCH AND EXTENSION INSTITUTE**  
**STATEMENT OF BUDGETS, ACTUAL CASH AND ACCRUAL BASED AMOUNT FOR THE**  
**PERIOD 14 FEBRUARY TO 31 DECEMBER 2014**

	Approved Budget Rs	Revised Estimates Rs	Actual Received/ Paid Rs	Financial Statement Rs
<b>Revenue</b>				
Recurrent Grant	212,570,900	227,445,818	227,445,818	227,445,818
Capital Grant	7,500,000	7,500,000	26,399,656	21,036,785
Other Income		7,157,601	10,988,726	10,988,726
	<u>220,070,900</u>	<u>242,103,419</u>	<u>264,834,200</u>	<u>259,471,329</u>
<b>Expenditure</b>				
Salaries and other related costs	167,431,492	184,951,698	160,734,127	163,981,713
Pension cost	18,732,507	22,698,198	21,274,274	28,405,727
Passage benefits	4,125,000	6,063,297	5,530,588	5,194,889
Travelling and Transport	20,380,133	26,685,374	24,763,256	24,668,892
Office Expenses	10	2,425,692	1,658,297	1,587,029
Utilities	10	4,945,963	4,925,375	4,743,739
Rent	10	4,368,949	4,054,880	4,054,880
Maintenance & Running cost vehicles	10	2,908,441	2,675,937	2,631,987
Maintenance of Building & Equipment	10	4,286,751	4,044,648	6,086,643
Training	10	587,040	321,600	318,600
Information Technology Facilities	10	354,596	330,348	312,358
Uniform and protective clothing	10	520,539	531,864	446,519
Nursery & Laboratory consumables	10	646,534	698,254	1,018,171
Security services	10	6,398,740	5,923,294	5,972,666
Other operating expenses	10	9,504,664	8,469,521	9,589,736
Insurance non-motor	10	389,643	389,643	389,643
Legal & Professional Fee	10	320,000	425,217	394,568
Schemes			6,461,332	6,461,332
<b>Total Expenditure</b>	<u><b>210,669,262</b></u>	<u><b>278,056,119</b></u>	<u><b>253,212,455</b></u>	<u><b>266,259,093</b></u>

**FOOD AND AGRICULTURAL RESEARCH AND EXTENSION INSTITUTE**  
**STATEMENT OF OUTTURN FOR THE PERIOD 14 FEBRUARY TO 31 DECEMBER 2014**

	Revised Estimates Rs	Actual Expenditure Rs	Comments
<b>Expenditure</b>			
Salaries and other related costs	184,951,698	163,981,713	Provision was made in 2014 for the filling of vacancies which did not materialise. There were also 2 senior officers who retired during the period and were not replaced
Pension cost (SICOM)	22,698,198	28,405,727	
Passage benefits	6,063,297	5,194,889	Vacancies that were provided for, were not filled
Travelling and Transport	26,685,374	24,720,788	
Office Expenses	2,425,692	1,535,134	
Utilities	4,945,963	4,743,739	
Rent	4,368,949	4,054,880	Savings due to release of rented offices at Quatre Bornes
Maintenance & Running cost vehicles	2,908,441	2,631,987	
Maintenance of Building & Equipment	4,286,751	6,086,643	Additional costs were incurred to refurbish buildings transferred to FAREI upon release of rented premises at Quatre Bornes
Training	587,040	318,600	
Information Technology Facilities	354,596	312,358	
Uniform and protective clothing	520,539	446,519	
Nursery & Laboratory consumables	646,534	1,018,171	
Security services	6,398,740	5,972,666	
Other operating expenses (animal feed, fertilizer, seeds, etc)	9,504,664	9,589,736	
Insurance non-motor	389,643	389,643	
Legal & Professional Fee	320,000	394,568	
Schemes		6,461,332	Estimate made by the Ministry was transferred to FAREI for implementation of schemes
<b>Total Expenditure</b>	<b>278,056,119</b>	<b>266,259,093</b>	

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**FOOD AND AGRICULTURAL RESEARCH AND EXTENSION INSTITUTE**  
**Notes to the Accounts for the period**  
**14 February 2014 to 31 December 2014**

**1 PRINCIPAL ACTIVITIES**

**1a Legal format and main objectives**

The Food and Agricultural Research and Extension Institute (FAREI), a body corporate, was established on 14 February 2014 to serve the purpose described in the **Food and Agricultural Research and Extension Institute Act 2013**.

The establishment of the FAREI was to take over the activities of the Food and Agricultural Research Council, including its Agricultural Research and Extension Unit (AREU).

The objects of FAREI is to introduce, develop and promote such novel technologies in the food and non-sugar agricultural sector as may be approved by the Minister; to coordinate, promote and harmonise research activities in non-sugar agriculture, food production and forestry; promote and encourage agricultural and agribusiness development through the setting up of agricultural youth clubs and agricultural entrepreneur clubs; and promote dissemination and practical application of the results of any research undertaken under the FAREI Act.

**1b Basis of preparation**

**(a) Statement of compliance**

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB) which is supported by the International Federation of Accountants Committee (IFAC).

**(b) Basis of preparation**

The financial statements have been prepared on an accrual basis and on a going concern basis and the accounting policies have been applied consistently throughout the year.

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Following the enactment of FAREI, the assets and liabilities from Ex-FARC were brought forward at book value as at 14 February 2014 as follows:

	Rs
Cash and cash equivalents	46,756,975
Receivables	24,477,112
Infrastructural plant and equipment	53,924,390
Intangible Assets	439,685
Payables	2,564,011
Current portion of long term borrowings	5,643,227
Employee Benefit	18,263,050
Long term provisions	53,869,567
Long term borrowings	17,201,710
Retirement benefit obligations	48,013,328
Capital grant (restated)	16,084,605

The presentation of Financial Statements as per IPSAS1 comprise of:

- Statement of Financial Position
- Statement of Financial Performance
- Statement of changes in net assets and equity
- Cash Flow Statement
- Statement of comparison of actual and budget amounts and
- Notes comprising of significant accounting policies and other explanatory notes

**(c) Reporting date**

Following the enactment of the FAREI on 14 February 2014, this is the first financial statements for the FAREI and there are no comparative figures. The financial statements cover the period 14 February 2014 to 31 December 2014.

**(d) Transaction date**

Salaries and employees benefits for Ex AREU were up to February 2014 and that of FARC (alone) were from March 2014.

Depreciation has been calculated from 1 February 2014.

The retirement benefit obligations were from 1 March 2014.

Full month rent was provided for in February 2014.

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**(e) Level of rounding**

The figures in the Financial Statements have been rounded to the nearest rupee.

**(f) Cash Flow**

Indirect method has been used to prepare the Cash Flow Statement.

**(g) Standards issued to IPSAS but not yet effective**

At the date of authorization of these financial statements, the following International Public Sector Accounting Standards (IPSASs) had already been issued but were not yet effective:

- Amendments to IPSAS 1 – Presentation of Financial statements – Effective for annual periods beginning on or after 01 January 2015
- Amendments to IPSAS 17 – Property, Plant and Equipment – Effective for annual periods beginning on or after 01 January 2015
- Amendments to IPSAS 28 – Financial Instruments Presentation – Effective for annual periods beginning on or after 01 January 2015
- Amendments to IPSAS 31 – Intangible Assets – Effective for annual periods beginning on or after 01 January 2015
- IPSAS 33 First - Time Adoption of Accrual Basis IPSAS - Effective for annual periods beginning on or after January 2017 – date of issue: January 2015
- IPSAS 34 - Separate Financial Statements - Effective for annual periods beginning on or after January 2017– date of issue: January 2015
- IPSAS 35 - Consolidated Financial Statements - Effective for annual periods beginning on or after January 2017 – date of issue: January 2015
- IPSAS 36 - Investments in Associates and Joint Ventures- Effective for annual periods beginning on or after January 2017– date of issue: January 2015
- IPSAS 37 - Joint Arrangements - Effective for annual periods beginning on or after January 2017 – date of issue: January 2015
- IPSAS 38 - Disclosure of Interests in Other Entities - Effective for annual periods beginning on or after January 2017 – date of issue: January 2015
- IPSAS 39 – Employee Benefits – Effective for annual periods beginning on or after 1 January 2018 - date of issue: July 2016
- IPSAS 40 – Public Sector Combinations – Effective for annual periods beginning on or after 1 January 2019 - date of issue: January 2017
- The Institute anticipates that the adoption of these Standards in the future periods will have no material impact on the Financial Statement

**(h) Presentation currency**

The Financial Statements are presented in Mauritian Rupee.



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## **2 ACCOUNTING POLICIES**

### **(a) Revenue Recognition**

Revenue has been accounted on an accrual basis and is measured at the fair value of the consideration received or receivable.

#### Deferred Income

Grants received from the Government and other Institutions for capital projects were treated as deferred income up to 13 February 2014. With the full implementation of IPSAS 23 'Revenue from Non-Exchange Transactions', the deferment policy, as from 14 February 2014, has been reviewed and transfers received are now recognised as income in the period in which the transfer arrangement becomes binding.

The main sources of the Institute's revenue are:

- Grant from Government to meet recurrent expenditure: Revenue Grant and Capital Grant which contributes towards capital expenditure;
- Grant from other institutions;
- Proceeds from disposal of farm produce after trial and demonstration, plants from tissue culture and hardening unit;
- Sales of dairy produce and manure;
- Training fee charged to institutions and sales of publications;
- Service charges provided to the public and institutions; and
- The services provided are namely diagnostic fee, testing and analysis of products, design of structures and consultancy.

### **(b) Property, Plant and Equipment**

The assets owned by FAREI were transferred from FARC and were valued as net book value as at 14 February 2014.

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost is the amount of cash or cash equivalents paid to acquire an asset at the time of acquisition. No impairment in value was considered.

Depreciation is provided on the Straight Line basis so as to write-off the depreciable value of the assets over their expected useful economic lives. Depreciation has been provided for in the month following the month of purchase and no depreciation was charged in the month of disposal.

Since the Financial Statements covers the period of 14 February 2014 to 31 December 2014, depreciation has been provided for as from 1 February 2014.

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The annual rates of depreciation are as follows:

Buildings.....	2%
Office equipment.....	20%
Furniture and fittings.....	10%
Field equipment.....	25%
Heavy duty field equipment.....	20%
Motor vehicle.....	20%
Computer hardware.....	20%
Laboratory equipment.....	15%
Greenhouse.....	25%
Greenhouse equipment, fog unit & polycarbonate greenhouse.....	10%

**(c) Intangible Assets**

Intangible assets comprise computer software which is recorded at cost. Computer software is amortised using the straight line method over a useful life of five years (20%). Cost incurred towards licence renewal is expensed.

**(d) Impairment of Non-current Assets**

The carrying values of property, plant and equipment are not reviewed for impairment as there is no indication that the carrying value may not be recoverable. Management believes that no impairment test is required.

**(e) Operating Lease**

Rentals payable under operating lease agreements are charged to the Statement of Financial Performance on a straight line basis over the term of the relevant lease. Operating leases are leases, the ownership of which is retained by the lessor.

**(f) Leasehold Land and Building**

Land occupied by the Institute is owned by the Ministry of Agro Industry and Food Security and has not been capitalised.

The buildings occupied by FAREI, apart from the Head Office building at Reduit and the Tissue Culture Laboratory occupied by Ex FARC and the Farmers Training School at Wooton, belong to the Ministry and are as such not reflected in the Financial Statements.

The acreage of the land transferred to FAREI is 88,102m<sup>2</sup> and is located across the island.

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**(g) Grant**

Grant received to meet recurrent and capital expenditure is treated as revenue in the statement of financial performance in the year of receipt.

Capital grant are funded by the Government and other entities. Expenditure incurred is both of recurrent and capital nature.

**(h) Retirement Benefit Obligations**

Provision for retirement benefits to employees of the FAREI is made under the Statutory Bodies Pension Funds Act, as subsequently amended. The Scheme is a Defined Benefit Plan which is partly funded by FAREI at 12% and 6% by the employees. The fund is managed by State Insurance Company of Mauritius Limited (SICOM) and is reviewed yearly.

An actuarial valuation is carried out by SICOM to determine the present value of the defined benefit obligations and the related current service cost. A portion of the actuarial gains and losses will be recognised as income or expense if the net cumulative unrecognised actuarial gains and losses at the end of the previous accounting period exceeded the greater of 10% of the present value of the defined benefit obligation at that date or 10% of the fair value of plan assets at that date are recognised in the following year over the average remaining working life of the employees and is amortised over the average remaining working lives of the participating employees.

The amount recognised in the Statement of Financial Position represents the present value of the defined benefit obligations adjusted for unrecognised past service cost, and reduced by the fair value of plan assets.

The net total of the current service cost, interest cost, expected returns on plan's assets, current service cost, any recognized actuarial gains and losses, any recognised past service cost and the effect of any curtailment or settlement is recognised in the statement of financial performance.

Other post-retirement benefits include accumulated sick leave, passage benefits and refund of unutilised vacation leave.

**(i) State Pension Plan**

Contribution to the National Pension Scheme on behalf of temporary and contract employees are expensed in the Statement of Financial Performance in the period in which they fall due.

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**(j) Family Protection Scheme**

A Family Protection Scheme exists at the FAREI whereby 4% of monthly salary of each employee on a permanent and pensionable establishment is paid to either the Civil Service Family Protection Scheme or the State Insurance Company of Mauritius Limited (SICOM) which manage the scheme. A contribution of 2% respectively by FAREI and the employee is made towards the schemes.

**(k) Passage Benefit**

As from January 2013 officers are allowed to cash their passage benefit at a discounted rate of 90% for any purpose other than travel. The 10 % retained is recognised as revenue.

**(l) Key Management Personnel Compensation**

Key management personnel are those persons having authority and responsibility of planning, directing, and controlling the activities of the Institute, directly or indirectly, including directors (whether executive or otherwise) of the Institute.

The compensation paid to key management personnel is based on the recommendation of the Pay Research Bureau Report and is included in salaries and benefits.

The key management personnel of FAREI comprise the Chief Executive Officer, Director, Deputy Director and Assistant Directors.

The total emoluments for the period ended 31 December 2014 was Rs7,667,295.

**(m) Provisions**

Provisions are recognised when there is a present or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

**(n) Use of estimates and judgement**

The preparation of financial Statements in accordance with the International Public Sector Accounting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Financial Statement and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

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### **3 RELATED PARTY TRANSACTIONS**

Related parties are considered to be related if one party has the ability to control the other party and exercise significant influence over the party in making financial operating decisions. No such transactions were reported during the period ended 31 December 2014.

### **4 FOREIGN CURRENCIES**

Transactions denominated in foreign currencies are translated into Mauritian Rupees and recorded at the rate of exchange prevailing at the date of the transactions. Balances at the end of the financial period denominated in foreign currencies are translated into Mauritian Rupees at the rate prevailing at that date.

### **5 PENDING LITIGATIONS**

As at 31 December 2014 there was one case of pending litigation with a total claim of Rs6,051,954 against FAREI. The outcome of this case would depend on court judgement. The likelihood of the potential litigation costs were assessed by management. It is believed that the possibility of any possible obligation accruing to FAREI is remote in this accounting period. Accordingly no provision has been made to the accounts.

### **6 RISK MANAGEMENT POLICIES**

A description of the various risks to which the FAREI is exposed is shown below as well as the approach taken by management to control and mitigate those risks.

#### *Liquidity risk*

This refers to the possibility of default by the FAREI to meet its obligations because of the unavailability of funds to meet both operational and capital requirements. In order to ensure adequacy of its funding, cash flow forecasts are prepared regularly and actions are taken accordingly.

#### *Credit risk*

Credit risk relates to the possibility of default by employees in settling their loan obligations towards the FAREI. The FAREI has established a "lien" policy on cars purchased by those employees who benefit from such car loans.

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	<b>Rs</b>
<b>7 CASH AND CASH EQUIVALENTS</b>	
This is made up of bank balances and cash in hand	
Savings Accounts	13,056,880
Savings Foreign Currency Account	888,245
Current Accounts	37,515,564
Cash in hand	38,676
	<u><b>51,499,365</b></u>
<b>8 RECEIVABLES –CURRENT ASSETS</b>	
Debtors Car loan	5,398,532
Sundry debtors	253,531
Debtors chargeable services	914,240
	<u><b>6,566,303</b></u>
<b>9 RECEIVABLES – NON-CURRENT ASSETS</b>	
Debtors car loan falling due more than one year	<u><b>16,651,841</b></u>

## 10 PROPERTY, PLANT AND EQUIPMENT

	Buildings Rs	Furniture & Fittings Rs	Office Equipment Rs	Computer Hardware Rs	Motor Vehicle & Heavy Duty Field equipment Rs	Laboratory Furniture, Fittings & Equipment Rs	Post- Harvest & Plant Pathology Lab Rs	Fog Unit & Polycarbonate & Hydroponic Greenhouse Rs	Food Processing & PCR Lab Rs	Light Field Equipment Rs	Total Rs
<b>Cost and Valuation</b>											
At Cost as at 14 February 2014	33,670,677	13,605,788	10,621,544	9,504,586	24,947,617	23,765,529	3,018,454	16,683,999	5,839,872	13,938,390	155,596,455
Additions	1,565,955	179,182	324,439	308,334	-	1,506,949	-	504,230	38,975	612,231	5,040,294
Disposal	-	-	-	-	(1,120,800)	-	-	-	-	-	(1,120,800)
<b>At cost as at 31 December 2014</b>	<b>35,236,632</b>	<b>13,784,970</b>	<b>10,945,983</b>	<b>9,812,920</b>	<b>23,826,817</b>	<b>25,272,478</b>	<b>3,018,454</b>	<b>17,188,228</b>	<b>5,878,847</b>	<b>14,550,621</b>	<b>159,515,949</b>
<b>Depreciation</b>											
Depreciation as at 14 February 2014	6,629,890	10,576,291	9,211,811	8,181,486	17,691,378	15,586,125	2,970,286	14,377,853	5,355,120	11,091,825	101,672,065
Charge for the period	622,515	357,154	534,445	551,778	2,766,094	2,192,371	19,169	366,082	180,674	1,515,132	9,105,414
Eliminated on disposal	-	-	-	-	(541,720)	-	-	-	-	-	(541,720)
<b>Depreciation as at 31 December 2014</b>	<b>7,252,405</b>	<b>10,933,445</b>	<b>9,746,256</b>	<b>8,733,264</b>	<b>19,915,752</b>	<b>17,778,496</b>	<b>2,989,455</b>	<b>14,743,935</b>	<b>5,535,794</b>	<b>12,606,957</b>	<b>110,235,759</b>
<b>Carrying amount</b>											
<b>As at 31 December 2014</b>	<b>27,984,227</b>	<b>2,851,525</b>	<b>1,199,727</b>	<b>1,079,655</b>	<b>3,911,065</b>	<b>7,493,981</b>	<b>28,999</b>	<b>2,444,293</b>	<b>343,053</b>	<b>1,943,664</b>	<b>49,280,190</b>
<b>As at 13 February 2014</b>	<b>27,040,787</b>	<b>3,029,496</b>	<b>1,409,733</b>	<b>1,323,100</b>	<b>7,256,239</b>	<b>8,179,404</b>	<b>48,168</b>	<b>2,306,146</b>	<b>484,752</b>	<b>2,846,565</b>	<b>53,924,390</b>

		Rs
<b>11 INTANGIBLE ASSETS – SOFTWARE COSTS</b>		
Software costs are capitalised in accordance with the provisions of IPSAS 31		
At Cost as at 01 February 2014		2,073,294
Additions		<u>227,204</u>
At cost as at 31 December 2014		<u>2,300,498</u>
Amortisation as at 01 February 2014		1,633,609
Amortisation for the period		<u>148,379</u>
Amortisation as at 31 December 2014		<u>1,781,988</u>
<b>Written down value as at 31 December 2014</b>		<b><u>518,510</u></b>
<b>12 PAYABLES</b>		
Creditors falling due within one year relates to car loan		1,669,069
Accruals		<u>2,135,777</u>
		<b><u>3,804,846</u></b>
<b>13 CURRENT PORTION OF LONG TERM BORROWING</b>		
Car loan falling due within one year -car loan		<u>5,255,671</u>
<b>14 EMPLOYEE BENEFIT</b>		
Passage Benefits	15(b)	4,919,027
Sick leave	15(a)	<u>6,425,432</u>
		<b><u>11,344,459</u></b>
<b>15 LONG TERM PROVISIONS</b>		
Provision passage benefits	15(b)	12,934,759
Provision for sick leave	15(a)	<u>49,144,931</u>
		<b><u>62,079,690</u></b>



		<b>Rs</b>
<b>15(a) Provision for sick leave</b>		
Opening balance		53,869,567
Less: Payment during the year		(6,859,472)
Add: Provisions for the year		<u>8,560,268</u>
Closing balance		55,570,363
Less: Amount falling due within one year		<u>6,425,432</u>
Less: Amount falling due more than one year		<u><b>49,144,931</b></u>
<b>15(b) Provision passage benefits</b>		
Opening balance		18,263,049
less : payment during the year		(5,604,152)
Add : provisions for the year		5,194,889
Closing balance		17,853,786
Less: Amount falling due within one year		<u>4,919,027</u>
Less: Amount falling due more than one year		<u><b>12,934,759</b></u>
<b>16 LONG TERM BORROWING</b>		
Car loan amount falling due more than one year		<u><b>16,068,515</b></u>
<b>17 RETIREMENT BENEFIT OBLIGATIONS</b>		
All permanent employees of FAREI are members of the FAREI pension fund – a defined benefit scheme managed by the State Insurance Company of Mauritius Limited. The pension fund is wholly funded by the Institute. The retirement benefit obligations have been based on the report submitted by SICOM Ltd.		
<b>Employee Benefit</b>		<b>55,290,578</b>
<b>Employee Benefit statement as per IPSAS 25</b>		
<b>Amounts recognised in statement of financial position at end of year</b>		
Present value of funded obligation		456,985,745
(Fair value of plan assets)		<u>(274,568,897)</u>
		182,416,848
Present value of unfunded obligation		-
Unrecognised actuarial gain / (loss)		<u>(127,126,270)</u>
<b>Liability recognised in statement of financial position at end of year</b>		<u><b>55,290,578</b></u>

	<b>Rs</b>
<b>Amounts recognised in statement of financial performance:</b>	
Current service cost	15,490,900
(Employee contributions)	(7,978,222)
Fund expenses	598,606
Interest cost	31,881,151
(Expected return on plan assets)	(16,951,434)
Actuarial loss / (gain) recognised	6,806,794
Past service cost recognised	-
<b>Total, included in staff costs</b>	<b><u>29,847,795</u></b>
<b>Movements in liability recognised in financial position:</b>	
At start of year	48,013,328
Total staff cost as above	29,847,795
(Contributions paid by employer)	(15,955,138)
(Actuarial Reserves Transferred in)	(6,615,407)
At end of year	<b><u>55,290,578</u></b>
<b>Actual return on plan assets:</b>	<b><u>12,062,371</u></b>
<b>Main actuarial assumptions at end of year:</b>	
Discount rate	8.00%
Expected rate of return of plan assets	8.00%
Future salary increases	5.50%
Future pension increases	3.50%
The assets of the plan are invested in funds managed by the State Insurance Company of Mauritius Ltd.	
The discount rate is determined by reference of market yields on bonds.	
<i>Reconciliation of the present value of defined benefit obligations</i>	
Present value of obligation at start of period	478,217,266
Current service cost	15,490,900
Interest cost	31,881,151
(Benefits paid)	(13,899,798)
Liability (gain) / loss	<u>(54,703,774)</u>
Present value of obligation at end of period	<u>456,985,745</u>

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	<b>Rs</b>
<b>Reconciliation of fair value of plan assets</b>	
Fair value of plan assets at start of period	246,246,332
Expected return on plan assets	16,951,434
Employer contributions	15,955,138
Employee contributions	7,978,222
Actuarial Reserves Transferred in	6,615,407
(Benefits paid + other outgo)	(14,498,404)
Asset gain / (loss)	<u>(4,679,232)</u>
Fair value of plan assets at end of period	<u>274,568,897</u>

**Distribution of plan assets at end of period**

<i>Percentage of assets at end of year</i>	<b>2014</b>
Government securities and cash	57.1%
Loans	4.1%
Local equities	21.1%
Overseas bonds and equities	17.0%
Property	<u>0.7%</u>
Total	<u>100%</u>

**Additional disclosure on assets issued or used by the reporting entity**

	<b>31 December 2014</b>
<i>Percentage of assets at end of year</i>	<b>(%)</b>
Assets held in the entity's own financial instruments	0
Property occupied by the entity	0
Other assets used by the entity	0

<b>History of obligations, assets and experience adjustments</b>	<b>31 December 2014 Rs</b>
<i>Currency</i>	
Fair value of plan assets	274,568,897
(Present value of defined benefit obligation)	<u>(456,985,745)</u>
Surplus / (deficit)	(182,416,848)
Asset experience gain / (loss) during the period	(4,679,232)
Liability experience gain / (loss) during the period	54,703,774
Year	<b>2015</b>
Expected employer contributions	18,208,182
<b>(Estimate to be reviewed by the Food and Agricultural Research and Extension Institute)</b>	

#### **18 CAPITAL GRANT**

Relates to unspent capital grant for ongoing projects

	<b>Opening Balance Rs</b>	<b>Receipts Rs</b>	<b>Expenses Rs</b>	<b>Closing Balance Rs</b>
Capital grant from the government	12,082,917	5,052,905	7,095,242	10,040,580
Schemes	3,610,865	14,622,589	5,340,845	12,892,609
Mauritius Research Council	395,365	313,500	186,150	522,715
Small grant scheme Australia	<u>(4,542)</u>	<u>345,644</u>	<u>192,331</u>	<u>148,771</u>
	<u>16,084,605</u>	<u>20,334,638</u>	<u>12,814,568</u>	<u>23,604,675</u>

#### **19 TRANSFERS FROM GOVERNMENT**

	<b>Rs</b>
Recurrent Grant	227,445,818
Capital Grant	81,567,887
Adj for capital grant recognized as surplus	<u>(66,893,991)</u>
	<b><u>242,119,713</u></b>

	<b>Rs</b>
<b>20 TRANSFERS FROM OTHER ENTITIES</b>	
MRC	421,778
UNDP	5,979,867
Small Grant Scheme Australia	192,331
Adj for capital grant recognized as surplus	(231,085)
	<u><b>6,362,890</b></u>
 <b>21 OTHER REVENUE</b>	
Sales of Guide Agricole	91,625
Sales of Animals	1,313,489
Sales of Vegetables & Produce	3,196,532
Sales of Milk and Manure	2,077,368
Revenue from testing and diagnosis	461,093
Training and registration fee	869,353
Sundry Income	1,672,309
Profit on disposal of fixed assets	130,174
Exchange gain	37,609
Interest received	1,139,174
	<u><b>10,988,726</b></u>
 <b>22 WAGES, SALARIES AND EMPLOYEE BENEFITS</b>	
Salaries and employee benefits	168,526,763
Employer's Contribution	21,778,316
Pension Employees Benefit	7,277,250
Travelling and Transport	24,668,892
	<u><b>222,251,221</b></u>

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	<b>Rs</b>
<b>23 SUPPLIES AND CONSUMABLES USED</b>	
Office expenses	1,476,096
Electricity, Water and Telephone	4,743,739
Maintenance and running of vehicles	2,631,987
Repairs and Maintenance	6,086,643
Uniforms & Protective Clothing	446,519
Apparatus and supplies of Laboratory	1,018,171
On farm trial	1,145,326
Other Operating expenses	1,337,293
Seeds and plantlets	1,157,031
Cowfeed, drug and fodder	4,778,208
Fertilisers and pesticides	837,678
Small Tools and Equipment	461,299
	<u><b>26,119,991</b></u>
<b>24 DEPRECIATION AND AMORTISATION EXPENSE</b>	
Depreciation (note 10)	9,105,414
Amortisation (note 11)	148,379
Depreciation	<u><b>9,253,793</b></u>

	Rs
<b>25 OTHER EXPENSES</b>	
Office Expenses and incidental	312,358
Rent	4,054,880
Training of Staff	318,600
Training of Farmers	219,766
Security Services	5,972,666
Miscellaneous Expenses	149,037
Legal and professional fees	394,568
Contribution to Local Orgn ( AYC )	72,855
Open Day and Other Celebrations	139,139
Insurance	389,643
Books and Publications	4,617
Income Support	5,316,005
IAEA expenses	20,800
MRC expenses	70,649
IFAD	452,282
	<b>17,887,866</b>

## 26 PRIOR YEAR ADJUSTMENT

### **Change in Accounting Policy resulting from application of IPSAS 23**

Up to 13 February 2014, Grants (Cash/Assets) received from Government and other institutions for Capital expenditure were treated as deferred income and an amount equal to depreciation and amortisation charge for the year was transferred to surplus/(deficit). With the full implementation of IPSAS 23 'Revenue from non-Exchange Transactions (Taxes and Transfers)' the deferment policy as from February 2014, has been reviewed and transfers received are now recognised as income in the period in which the transfer arrangement becomes binding.

The transitional provisions under IPSAS 23 do not require an entity to change its accounting policies in respect of revenue from non-exchange transactions for reporting periods beginning on a date within 3 years following the date of first adoption for the standard. Changes in accounting policies before expiration of the 3 year period shall only be made to better conform to the accounting policies of the standard.

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The FAREI took advantage of the maximum 3 year period allowed under transitional provisions and changed its accounting policy regarding transfers as from February 2014.

Being the first financial statements for FAREI with no comparative, there was no prior year adjustments.

The effect of the adjustment following the change in accounting policy is to increase revenue recognised from non-exchange transactions by the unamortised portion of the capital grant resulting in a surplus. There is no deferred income.

The change in accounting policy will have an adverse impact on the surplus/deficit for those future periods in which receipt of transfers are expected to be less than the depreciation and amortisation charge.

## **27 BUDGET**

FAREI presents its financial statements and recurrent budget on an accrual basis. The original budget covers the period 1 January to 31 December 2014 and was approved by the National Assembly as a one-line budget. The approved budget for the period being less than the realistic estimates, could not be apportioned to the various expenditure items. A token vote was therefore allocated.

The actual amount includes a provision of Rs7.2M in respect of employee benefits based on actuarial valuation of pension fund as at 31 December 2014.

The approved budget and the grant disbursed were not sufficient to enable FAREI to meet its financial commitments for the year which resulted in a deficit.



## Section 6: Senior Staff List

### FOOD AND AGRICULTURAL RESEARCH AND EXTENSION INSTITUTE

#### SENIOR STAFF: February 2014 – December 2014

<b>CHIEF EXECUTIVE OFFICER</b>	Jayraj RAMKISSOON, GOSK <i>(with effect from 14.02.14)</i>
<b>DEPUTY DIRECTOR</b>	Pouran HANOOMANJEE BSc <i>(on retirement with effect from 21.05.14)</i>
<b>ASSISTANT DIRECTORS</b>	
<b>Extension &amp; Training</b>	Ramesh RAJCUMAR BSc
<b>Crops Research</b>	Deovruth ABEELUCK BSc, MSc
<b>Livestock Research</b>	Micheline SEENEVASSEN PILLAY (Mrs) BSc
<b>CROP DEPARTMENT</b>	
<i>Agronomy Division</i>	
<b>Principal Research Scientist</b>	Mala GUNGADURDOSS (Mrs) Lic. & Maitrise (Biologie Vegetale)
<i>Fruit Division</i>	
<b>Principal Research Scientist</b>	Nirmala D RAMBURN (Mrs) PG Dip, BSc
<i>Vegetables &amp; Ornamentals Division</i>	
<b>Principal Research Scientist</b>	Rita D NOWBUTH (Ms) BSc, MSc
<i>Resource Management Division</i>	
<b>Principal Research Scientist</b>	Indoomatee RAMMA (Mrs) BSc, MSc
<i>Plant Pathology Division</i>	
<b>Principal Research Scientist</b>	Shamduth P BENIMADHU BSc
<i>Entomology Division</i>	
<b>Principal Research Scientist</b>	Lalini UNMOLE Dr (Mrs) DMS, BSc, PhD
<i>Tissue Culture Laboratory</i>	
<b>Laboratory &amp; Nursery Manager</b>	Kumari Indira D. BOODHRAM (Mrs) BSc (H), Adv. Cert. MSc

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**Agricultural Coordinator**

Maryse L. WEBB (Mrs) Dip. Agric. & Sugar Tech  
Dong Liang CHAN SIP SIONG Dip. Agric. & Sugar Tech

**LIVESTOCK DEPARTMENT**

*Animal Production Division*

**Principal Research Scientist**

Parmessur TOOLSEE PG Dip, BSc, MBA

**EXTENSION AND TRAINING DEPARTMENT**

**Principal Extension Officer**

Shri Swami A M GOOLAUB BSc, MSc  
Siow Voong CHUNG TING WAN Dip. Agric.  
Chia Shim Chong TSE SIK SUN Dip. Agric.

**CENTRAL TECHNICAL SERVICES**

*Biometry Section*

**Principal Biometrician**

Rajendr K RAMNAUTH BSc, MSc

*Engineering Section*

**Principal Agricultural Engineer**

Shashikant PANDOO BSc, MSc

*Business Development Section*

**Senior Extension Officer**

Bhanoochun DYALL Dip. Agric., MBA  
(Secondment to MAIFS with effect from 01.11.12)  
Mahendre NATHOO DMS, BSc, MSc

**Research Scientist/Snr Research Scientist**

**ADMINISTRATION**

*Finance Section*

**Manager, Accounts Section**

Bhindoomatee RADHA (Mrs) ACMA

*Procurement & Supply Section*

**Stores Superintendent**

Nadev ORIL

*Human Resource Section*

**Human Resource Officer**

Bindeshwaree VEERAPEN (Mrs) DMS, BSc

*Administrative Section*

**Administrative Manager**

Arti DUNPUTH (Ms) ACIS  
Suzy Dominique AUGUSTE (Mrs) ACIS