Mauritius Ports Authority

ANNUAL REPORT 2015

Sailing forward ...


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CHAIRMAN'S REPORT

On behalf of the Board of Directors, I am pleased to present the 2015 Annual Report of the Mauritius Ports Authority, which highlights the Authority's major accomplishments during 2015 in the pursuance of its core mission to support the country's sustainable economic development through investments in state-of-the-art port infrastructures.

As we reflect on the year's events, I am proud that the MPA blazed new and important trails on many fronts. The MPA has realised a net surplus of Rs 823.1 million in FY 2015 compared to Rs 608.4 million in 2014, representing an increase of 35.3%. This unprecedented financial performance is mainly attributable to our judicious and intelligent investment plan as regards the MPA accumulated funds.

Despite a number of challenges in particular segments of our port trade as a result of the downturn in international trade added to the voluntary reduction in the number of ship calls due to the execution of the infrastructural works in respect to the extension of the Mauritius Container Terminal, we have been able to minimise the adverse impact in the overall port traffic.

Our operating environment was thus impacted by a slight decline in the global output of 6.8 million tonnes in 2015 compared to 6.9 million tonnes in 2014. The container segment has incidentally registered a decrease of 10.4% from 403,001 TEUs in 2014 to 361,109 TEUs in 2015. We expect to reverse the trade performance curve shortly with the operation of the extended MCT quay of 800 metres complemented with the enlargement of the storage capacity of the MCT yard.

To meet the exigencies of the fast growing port sector in terms of competitiveness and attractiveness, the MPA in hand with all its stakeholders, is fully committed to keep on investing in the upgrading and modernising of the port infrastructure coupled with a constant improvement in service delivery driven with passion and a result-oriented culture. Within this mission, the MPA is drawing a roadmap for its business model under a new Corporate Plan for the period 2016–2018 and it will continue to spawn emerging business segments such as bunkering, container transshipment, cruise, ship repairs/ship building, and shipping agency/freight forwarding/ship brokerage under the Ocean Economy Initiative. Under this mindset, the MPA has been resolved to:

- acquire more powerful tugs,
- expand quays and terminals,
- deepen draft to accommodate larger vessels,
- strengthen security measures,
- ensure better application of ICT,
- increase port efficiency,
- become a driven and innovative port,
- build up core capabilities and competencies by creating a pool of port academicians and port experts through the establishment of a Port and Maritime Training Centre.

In addition to the above, actions will be initiated for the construction of a modern cruise terminal building at Les Salines, the upgrading of the Capitainerie Building and the enhancement of pilotage and harbour services through capital investment in equipment and navigational aids.

To fulfil its mandate under the Government Mission Statement 2030, the MPA has commissioned a new Port Master Plan which will be implemented by next year. It will lay down the strategy for future major development of the port sector in the years ahead. The Plan will set out the proper mechanism to make of the MPA the leading Authority driving Mauritius as a preferred maritime gateway in this part of the world.

We strongly believe that there should be a right balance between the economic imperatives and the environmental challenges. So, in a bid to ensure that the forthcoming port projects are sustainable and to safeguard our green heritage, we have embarked on a Green Port initiative Plan. To spearhead this venture, a Green Port Steering Committee has been set up under my chairmanship. As the green issues are the concerns of the port community at large, a Port Environment Charter was endorsed by all port stakeholders on 6 June 2015 on the occasion of the World Environment Day 2015.

The Environment Charter shows the commitment of all port-based industries towards a sustainable port environment and will ensure that concrete actions are taken towards a clean and environment-friendly port. Under the same objective, the MPA has put in place an Environmental Management System which is certified to the ISO 14001 Standard since August 2015. By the way, MPA is the first governmental organisation to have been awarded such prestigious certification. This is a testimony of our unflinching commitment in the process of achieving a Green Port status. Among other concrete green initiatives, it is worth mentioning that we have undergone on a pilot basis, the installation of a set of photovoltaic panels on a lower scale to provide lighting and also to capture solar data to ensure the viability of future renewable energy projects on a large scale.

It is not a secret that the everlasting success of an organisation resides on the delivery of its human capital. So, the contributions made by our employees towards the good financial performance of the Authority need to be recognised. In this regard, I am happy to report that provision has been made to compensate our employees with an incentive bonus equivalent to two months' salaries.

Besides, various programmes were implemented in motivating our employees to enhance their levels of performance, quality of service and ultimately ensuring the level of commitment towards achieving our objectives. We are perpetually enhancing the skills of our staff and igniting their passion to be result-oriented. This is coupled with a systematic human resource empowerment programme to boost the knowledge and attitudes of employees resulting in effective team work.

To create the sense of belonging and to comfort the team building spirit, we have organised the MPA Family Day on 6 September 2015, which has known a considerable success.

Furthermore, the services of a specialised consultancy firm have been retained to work out on the next Human Resources Development Plan whose publication is expected in 2016. The Plan will cater for appropriate human development strategies to reinforce the capabilities of our workforce in its organisational skills and to set up the required organisational structure to boost effective service delivery with the necessary motivation.

I am confident that with the actions taken to increase our visibility and connectivity on the regional and international fronts, the MPA will overcome the challenges facing the transport, logistics and supply chain sectors with clarity of view, innovation and a willingness to adapt to the ever changing environment. As our region continues to grow and change, we must grow and change too. With the guidance of our career employees, and by leveraging the remarkable experience of our staff, we will continue to uphold this Authority's mission for the good of our region, our nation, and its people.

On behalf of the Board, I would like to thank the Hon. Deputy Prime Minister, Xavier-Luc Duval, and his staff at the Ministry of External Communications for their constant and timely support to the MPA to build on its success.

I would like to seize the opportunity to put on record my appreciation to the Board members for supporting me in my endeavours and their high sense of professionalism in the deliberations of the Board. I would also like to thank the Director-General, Mr Shekur Suntah and his Management team for their dedication and drive to succeed in delivering the Authority's objectives and to acknowledge the contribution of all the staff during the year in maintaining a high standard of efficiency and safety in carrying out their duties.

Finally, I wish to put on records the inputs and assistance of the shipping and business community as well as the unions who have worked with us in many different capacities during the year to improve the operational and financial efficiency of the port and help us in our growth strategy.

Ramalingum Maistry
Chairman

DIRECTOR GENERAL'S REPORT

I am pleased to report that the Mauritius Ports Authority has realised an excellent financial performance in 2015, posting a record net surplus of Rs 823.1 million which represents an increase of 35% over the previous year's figure of Rs 608.4 million. The Operating Revenue has been on the rising trend in FY 2015 (8.3%) despite a less favourable operational performance compared to that of FY 2014. This increase is attributed mainly to the appreciation of the USD against the MUR.

Port trade performance during the year has been affected as a result of the refurbishment of the cranes and the extension works at the Container Terminal. With a view to accommodating all vessels plying on different services with minimum disruption, a reduction of some 3,000 moves has been imposed on the shipping lines, more particularly in the transshipment segment.

Total cargo traffic has thus decreased by 0.9% with 6.84 million tonnes registered in 2015 compared to 6.90 million tonnes in 2014. Total captive container traffic recorded a growth of 1.6%, from 251,798 TEUs in 2014 to 255,884 TEUs in 2015, whilst total transshipment container traffic decreased by 30.4%, with a total of 105,225 TEUs in 2015 as compared to 151,203 TEUs in 2014.

Notwithstanding the above, the port's outlook for the future is focused and strong. The MPA is pursuing its efforts to modernise the harbour with a view to deriving maximum trade and economic benefits and in order to meet future challenges. One of the projects that the MPA has embarked upon to consolidate and upgrade its infrastructure is the strengthening and extension of the Mauritius Container Terminal (MCT) berths at Mer Rouge to accommodate the latest generation of container vessels. The works, estimated at Rs 4.7 billion, started in February of this year and the 240 metre-berth extension and 7.5 hectares expanded container yard are expected to be delivered by mid of next year, whilst the project is expected to be completed by October 2017. On the other hand, the dredging works of the English Channel, to increase the published depth from -14.5 to -16.5 metres ACD, are expected to start around the middle of next year and completed in early 2017 at an estimated project cost of Rs 1.5 billion. Upon completion of the dredging and land reclamation works, a total of 39 hectares of land would be created at Fort William and Fort George for future port development.

With the extension of the MCT and deepening of the access channel to -16.5 metres ACD, Port Louis Harbour will be called upon to accommodate large container vessels of the latest generation. The present total bollard pull capacity of the existing tug fleet needs to be significantly increased to ensure the safe handling of these vessels and other large bulk tankers, especially during adverse climatic conditions. The MPA has thus come up with a renewal plan for its fleet of tugs, and in this context, the contract for the design, construction, supply and commissioning of a new Azimuth Stern Drive (ASD) tug of 78 tonnes bollard pull capacity, was awarded in March 2015, following an international bidding exercise, at the total cost of USD 9.5 million (about Rs 340 million). This tug will be built at the Choey Lee's Shipyard in China and will be the largest tug in the MPA fleet. The craft is expected to be operational around August next year.

Following the construction of the Cruise jetty in 2010, Costa Crociere, a leading cruise line, started its cruise activities using Port Louis as its regional home-port. After a temporary decline in its activities as from 2012, the cruise line has resumed its home-porting activities as from January of this year, giving a boost to this business segment. The number of cruise passengers registered in 2015 was 23,375 compared to 15,691 passengers in

DIRECTOR GENERAL'S REPORT

2014 (+49%). Similarly, cruise vessel calls increased to 23 in 2015 compared to 18 in 2014 (+28%). In order to further strengthen the position of Port Louis, the Ministry of Tourism and Mauritius Tourism Promotion Authority are leading aggressive marketing campaigns in Europe and Asia to promote the region as a cruise destination and entice more cruise lines to call at Port Louis. It is expected that the cruise traffic will increase to 50,000 pax in 2020 and 60,000 by 2025.

To cater for this growing traffic, MPA intends to upgrade the existing facility with the construction of a Cruise Terminal Building which will be used to service both the inter-island and international passenger traffic. The contract for consultancy services was awarded in November 2015 and it is planned to start the construction of the building in the first quarter of 2017 and the project would be completed in early 2018 at an estimated cost of Rs 400 million.

Following encouraging rise in the traffic of bunker fuel during the past three years, bunker exports have registered a decrease of 2.5% compared to last year. The reduction is attributed to the collapse of oil prices during the year under review. New strategies are being devised to boost this business activity with the objective to position Port Louis as a major regional bunkering port. A total of 284,284 tonnes of bunker products was supplied at Port Louis in 2015. It is expected that the bunker volume in the harbour could increase to 1.47 million tonnes by 2025 and 2.65 million tonnes by 2040. The MPA has already initiated action to increase the storage capacity of petroleum products in the port and has offered very attractive financial incentives for shipping lines to use Port Louis for bunkering activities. Moreover, private companies have expressed interest to develop large shore storage facilities. It is planned to accommodate these projects on the 4 hectares of land to be reclaimed at Fort George and also on 20 hectares out of the 35 hectares to be created at Fort William following the completion of the dredging and reclamation works in early 2017. On the other hand, several international companies have shown interest to mobilise floating storage and bunker barges at Port Louis.

Government and the MPA are developing a new strategic vision for the port up to the year 2030 and beyond. The vision not only focuses on future infrastructure and investment but aims at instilling a new dynamism to boost the port's economic activities and transform it as an efficient platform for international trade and an enabler of the country's economic development.

In this context, a new Corporate Plan for the period 2016-2018 is under preparation and will be finalised in early 2016. This business plan will chart out the principal agenda of the Authority over the forthcoming three years. Concurrently, MPA is elaborating a new Human Resource Development Plan which will focus on training and skills development to ensure that our employees have the necessary skills, knowledge and competencies to meet the MPA's new corporate objectives and are properly geared to face the future challenges facing the port and maritime industry.

In the National Budget 2015-16, the Government has clearly enunciated its will and support "to extend the port coastline from Grand River North West to Tombeau Bay. This development will enable the port to capture the outlying opportunities resulting from vessel traffic in the Indian Ocean which has increased some 400 per cent during the last two decades. Port development will focus on four major activities, namely seafood, transshipment, cruise and bunkering/petroleum. This development is expected to result in substantial increase in vessels calling at Port Louis due to an increase in our competitiveness and attractiveness. International flagships specialised in these areas will be called at play in these focus areas unleashing an array of opportunities for the provision of support services".

To fulfill this mission, the MPA has appointed Messrs Haskoning DHV of the Netherlands in August for the preparation of a new Port Master Plan Study which will examine current port projects in the pipeline and make recommendations for the land use and infrastructure development over the next 25 years. The consultants mobilised in September and have held workshop sessions with all relevant stakeholders. The preliminary draft report was presented in mid-December and the Final Port Master Plan report will be submitted by the middle of next year. A National Ocean Council has been set up by the Government to monitor the implementation of projects under the seven main Ocean Economy Clusters and the MPA has been mandated to chair the Working Group on the Port and Shipping Development Cluster comprising container transshipment, cruise tourism, petroleum hub, ship building/repairs/port related services and shipping.

It is an undeniable fact that the Port Sector will play an important role in the future economic development of the country and therefore its sustainability in the long term must be addressed. The challenge we face in the light of climate change calls for an innovative approach that addresses both environmental and economic considerations. The MPA has embarked on a Green

Port Initiative to ensure that the port operations and forthcoming port projects do not impact negatively on our port environment. The Authority has also implemented an Environmental Management System certified to ISO 14001 Standard since August 2015. This will ensure the commitment of management towards sustainable port activities and provide a framework for continuous improvement of its operations for a more environmentally friendly port. The MPA is the first Government organisation to have achieved ISO 14001 certification.

Several green port projects aimed towards waste management and resource conservation, have been implemented during the course of the year. These include the recycling of all of the Authority's E-waste comprising batteries, used oil, etc., composting of green waste and the setting up of a rain water harvesting system. The MPA has engaged the participation of the port community in the Green Port Initiative and has revived its Port Environment Charter which was signed by all port stakeholders on the occasion of the World Environment Day 2015.

In conclusion, I wish to extend my thanks to Mr Ramalingum Maistry, Chairman, the MPA Board of Directors, members of the Executive and Management teams and our committed workforce for their support. The support of our stakeholders and business partners is also acknowledged.

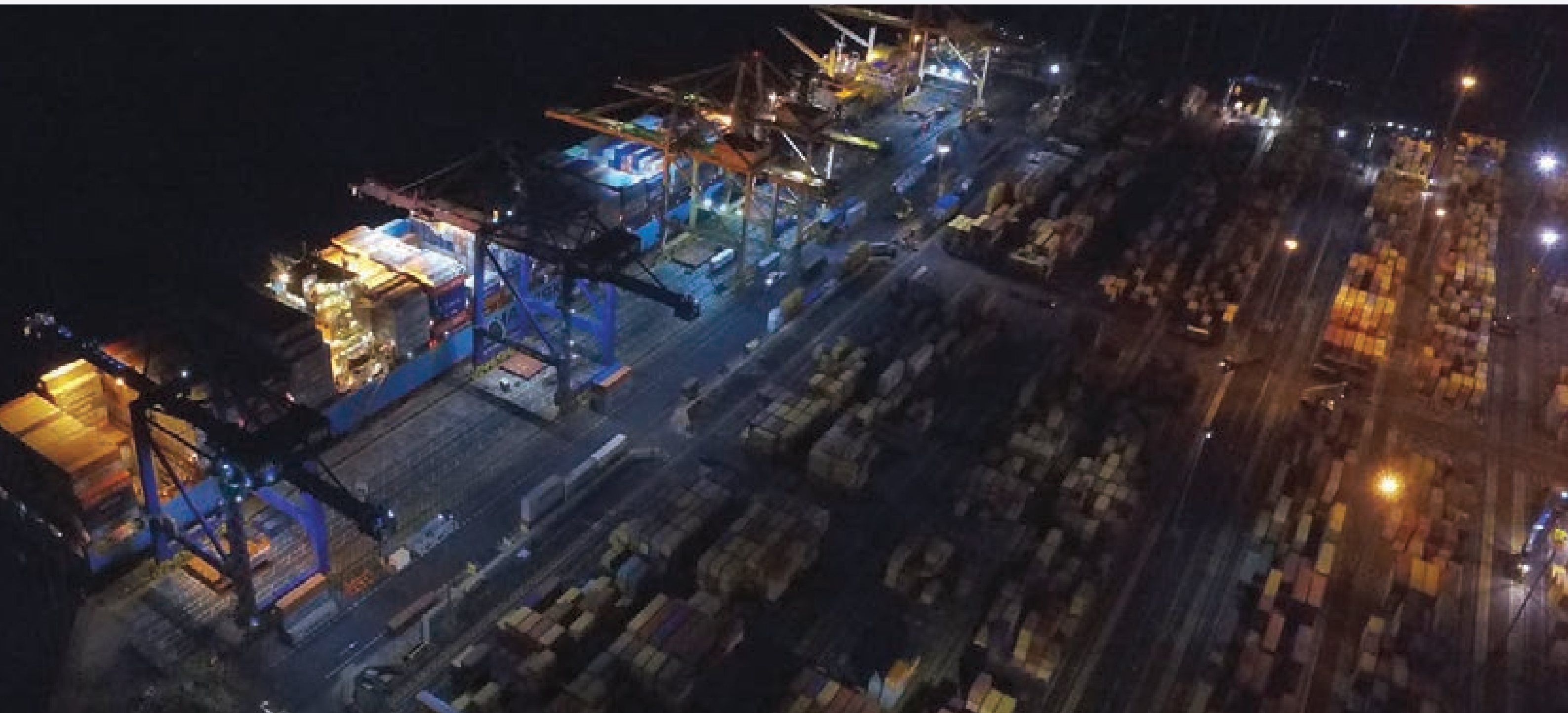
Above all, I wish to place on record my appreciation and gratitude to the Hon. Xavier-Luc Duval, Deputy Prime Minister and Minister of Tourism and External Communications, for his guidance and valuable advice during the course of this year.

Shekur Suntah
Director-General

PORT TRADE PERFORMANCE 2015

KEY FIGURES AT A GLANCE

Total Trade Volume	**(0.9%)**	**6.8 million tonnes**
Containerised Cargo	(7.6%)	3.1 million tonnes
Dry Bulk Cargo	6.6%	1.8 million tonnes
Liquid Bulk Cargo	4.5%	1.7 million tonnes
Fish Traffic	1.7%	145,835 tonnes
Total Container Traffic	**(10.4%)**	**361,109 TEUs**
Captive Container	1.6%	255,884 TEUs
Transshipment Container Inwards	(30.4%)	105,225 TEUs
Transshipment Container Outwards	(30.8%)	106,128 TEUs
Total Container Throughput	**(16.0%)**	**467,237 TEUs**
Vessel Traffic	**(11.5%)**	2,947 Calls
Containerised Vessels	(6.3%)	568 Calls
Fishing Vessels	(10.8%)	953 Calls
Cruise Traffic		
Cruise Vessel	27.8%	23 Calls
Passengers on Arrival	49.0%	23,375
Passengers on Departure	46.2%	22,979



CORPORATE INFORMATION - AS AT DECEMBER 31, 2015

BOARD OF DIRECTORS
Ramalingum Maistry (Chairperson)
Kechan Balgobin
Shekur Suntah
Om Kumar Dabidin
Vailamah Pareatumbee (Mrs)
Doorgaprasad Rajcoomar
Captain Wong Tat Chon Wong Chung Toi

BOARD COMMITTEES

Staff Committee
Ramalingum Maistry (Chairperson)
Shekur Suntah
Kechan Balgobin

Audit & Risk Management Committee
Captain Wong Tat Chon Wong Chung Toi (Chairperson)
Doorgaprasad Rajcoomar
Om Kumar Dabidin

Finance & Investment Committee
Vailamah Pareatumbee (Mrs) (Chairperson)
Kechan Balgobin
Shekur Suntah

Land Lease Management Committee
Shekur Suntah (Chairperson)
Kechan Balgobin
Vailamah Pareatumbee (Mrs)
Mary Jane Lau Yuk Poon (Mrs)
Yodhun Bissessur
Vinod Seebun

Corporate Governance Committee
Om Kumar Dabidin (Chairperson)
Captain Wong Tat Chon Wong Chung Toi
Doorgaprasad Rajcoomar

SENIOR EXECUTIVES
Shekur Suntah
Director-General

Aruna Devi Bunwaree Ramsaha (Mrs)
Deputy Director-General (Management Support Services)

Shakeel Goburdhone
Deputy Director-General (Technical and Operational Services)

Captain Louis Benoit Barbeau
Port Master

Narad Dawoodarry
Director, Administrative and Legal Services

Shreeganesh Ganga
Director, Finance

Chandradutt Rogbeer
Corporate Auditor

Ravishankar Woottum
Director, IT Services

Sandesh Seelochun
Ag. Director, Port Development

Mukhram Moloo
Ag. Director, Human Resources

Nomita Seebaluck (Mrs)
Manager, Port Operations

Basdeo Bholanath Dhunnoo
Manager, Technical Services

Gowraj Angad
Manager, Land Administration & Surveying

HEAD OFFICE

H. Ramnarain Building
Mer Rouge
Port Louis
Mauritius

Tel: (+230) 206 5400
Fax: (+230) 240 0856
Email: info@mauport.com

EXTERNAL AUDITORS

BDO & Co
Chartered Accountants
10, Frère Félix de Valois St.
Port Louis

Tel: (+230) 202 3000
Fax: (+230) 202 9993
Email: bdo@bdo.mu


... a green philosophy ...

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS

The administration and control of the affairs of the Authority shall vest in a Board. The Board shall perform, exercise and discharge the functions, powers and duties of the Authority within the spirit of the Ports Act 1998.

The Board of Directors of the Mauritius Ports Authority is committed to ensure that the highest standards of corporate governance are practiced throughout the Mauritius Ports Authority (MPA) as a fundamental part of corporate governance matters. As the prime policy decision-maker of the Authority, the Board ensures the Authority's sustained growth and development by collectively directing the organisation's affairs and maintaining the highest standards of governance whilst meeting the interests of its stakeholders and enhancing the financial performance of the MPA within the spirit of the Ports Act 1998.

The Board of Directors recognises that the Report on Corporate Governance (the "*Code*") is regarded as best practice and therefore uses its best endeavours to ensure compliance with the provisions as set out in the said Code.

As per Section 6 of the Ports Act, the Board shall consist of:

(i) a Chairman appointed by the Minister;
(ii) a representative of the Minister;
(iii) the Director-General;
(iv) three members appointed by the Minister from representatives of commercial, shipping or other users' interests;
(v) not more than three members as the Minister may from time to time determine.

Every appointed member shall:

(a) be a person who, in the Minister's opinion, has had experience and shown capacity in the field of port management, industry, commerce, finance or administration or has some special knowledge or experience that renders him a fit and proper person to be a member; and
(b) hold office for a period not exceeding two years and shall be eligible for reappointment.

Every member shall be paid by the Authority such remuneration or allowance as the Board may determine.

BOARD'S RESPONSIBILITIES

The MPA is led by an experienced Board with a wide spectrum of skills and experience that provides the strength required to lead the organisation towards objectives and enable it to rely on the firm control of an accountable and competent Board. The Board is responsible for the Authority's overall strategies and objectives, financial policy and major capital expenditure projects and the consideration of significant financial matters. In performing its duties the Board is assisted by several committees, namely the Staff Committee, the Audit & Risk Management Committee, the Finance & Investment Committee, the Land Lease Management Committee and the Corporate Governance Committee.

ROLE OF THE BOARD OF DIRECTORS

The Authority executes a range of functions that includes the development and marketing of ports and port facilities, regulation of ports, security and operations. The Board of Directors in this regard, provides guidance and oversight on policy direction, strategies and all business operations to ensure that the Authority acts in accordance with the Ports Act and in compliance with best corporate governance practices.

The Board of Directors fulfils, amongst others, the following functions:

- Ensures the efficient and effective management of the Authority and ensures the accountability of all persons who manage the resources of the public body;
- Advises on matters of general policy relating to the management of the Authority.

COMPOSITION OF THE BOARD

During the period under review, the Authority benefited from the stewardship of a Board of Directors, which comprised the following members in 2015.

During 2015 the Board was constituted as follows:

Chairperson
Mr Ramalingum Maistry (as from 27.02.15)

Members
Mr Kechan Balgobin – Representative of External Communications Division of the Ministry of Tourism & External Communications (as from 25.02.15)
Mr Shekur Suntah – Director-General, MPA
Mr Om Kumar Dabidin – Permanent Secretary, Home Affairs Division of the Prime Minister's Office (as from 25.02.15)
Mrs Vailamah Pareatumbee – Lead Analyst, Ministry of Finance & Economic Development
Mr James John Lenaghan – Director of Customs, Mauritius Revenue Authority (up to April 2015)
Mr Doorgaprasad Rajcoomar – Section Head, Mauritius Revenue Authority (as from 21.04.15)
Captain Wong Tat Chon Wong Chung Toi

None of the above directors form part of the directorships of listed companies.

CORPORATE GOVERNANCE REPORT

DIRECTORS' PROFILES

Mr Ramalingum Maistry
Chairman

Mr Maistry has been appointed as Chairperson of the MPA with effect from February 27, 2015. Mr Maistry has in the past been the Mayor of the Municipality of Beau Bassin/ Rose-Hill and thereafter has served as Chairperson of the Tourism Fund and Discover Mauritius. He has previously worked as Senior Adviser at the Ministry of Finance & Economic Development.

Mr Maistry is a non-executive director on the Board of Directors of the MPA.

Mr Maistry is also the Vice President of the Ports Association of Indian Ocean Islands and holds directorship on the board of the International Association of Ports and Harbors (IAPH) and the Association of Ports and Cities (AIVP).

Mr Kechan Balgobin
Representative of the External Communications Division of the Ministry of Tourism & External Communications

Mr Balgobin holds a Diploma in Human Resources Management from the University of Mauritius and completed a Master's in Business Administration in 2005 from the University of Technology, Mauritius.

He joined the Civil Service in 1983 and is presently Deputy Permanent Secretary at the Ministry of Tourism and External Communications. During his career, he has served in various Ministries.

Mr Balgobin is a non-executive director on the Board of Directors of the MPA since February 2015.

Mr Shekur Suntah
Director-General

Mr Suntah made his debut in 1981 as Civil and Structural Engineer in the UK after graduating in Civil Engineering from the University of Leeds in 1980. In 1987 he took up employment with Sir Alexander Gibb & Partners (Mauritius) as Structural Engineer. He joined the then Mauritius Marine Authority as Civil Engineer in 1988. He subsequently obtained a MSc (Eng) in Maritime Civil Engineering from the University of Liverpool, UK, in 1992, following which he was appointed Port Engineer in August 1993. He retained this position until December 1998 when he was promoted Deputy Director-General. He occupied this senior position up to August 2006 when he was appointed Acting Director-General. Till date, he holds the post of Director-General of the Authority since his appointment in November 2007. Mr Suntah is a Fellow of the Chartered Institute of Logistics and Transport (CILT).

Mr Suntah has been directly involved over the last 15 years in all aspects of the major Port Sector Reform Programme and has spearheaded the aggressive marketing initiative for the emergence of Port Louis Harbour as a regional container transshipment, cruise and bunkering hub.

He has to his credit the launching of the Ports Association of Indian Ocean Islands and was elected President of the Association in March 2011 for a period of two years. He is also a Director of the Board of the Port Management Association of Eastern and Southern Africa, which was established by the United Nations Economic Commission for Africa, of which MPA is a member since 1988. Mr Suntah is also the alternate Director on the Board of the International Association of Ports and Harbours.

Mr Suntah also holds directorships on several boards of companies and port related organisations. He is currently the Patron of CILT Mauritius. Moreover, he is a regular speaker and moderator at international Ports and Logistics Conferences worldwide since 2001.

Mr Suntah is the only Executive Director on the Board of the Mauritius Ports Authority with no fixed term contract.

Mr Om Kumar Dabidin
Permanent Secretary Home Affairs Division of the Prime Minister's Office

Mr Dabidin who joined the Civil Service in 1982 is now Permanent Secretary at the Prime Minister's Office since January 2015. He is holder of a Master's degree in Social Work and has also completed his Master's in Business Administration (MBA) in 1994 from the University of Mauritius. He is presently a board member, amongst others, of the following corporate bodies:

- Mauritius Shipping Corporation Ltd;
- Gambling Regulatory Board;
- Mauritius Broadcasting Corporation;
- Civil Service College of Mauritius; and
- Mauritius Oceanographic Institute

He is also Chairman of the Rodrigues Subsidy Fund Committee which operates under the aegis of the Prime

Minister's Office. He has served in several Ministries in different capacities and has also been a resource person in different tertiary institutions. He has wide experience in voluntary social work and in this capacity he has been serving on several non-governmental organisations.

Mr Dabidin has been appointed as a non-executive director on the Board of the Mauritius Ports Authority in February 2015.

Mrs Vailamah Pareatumbee
Lead Analyst, Ministry of Finance & Economic Development

Mrs Pareatumbee is a Fellow of the Association of Chartered and Certified Accountants since 2001 and has also successfully completed her Master's in Business Administration (MBA) with Specialisation in Finance in year 2000.

Mrs Pareatumbee who is presently Lead Analyst at the Ministry of Finance has vast experiences in the Civil Service which she joined in 1980 and throughout her career she has performed in various capacity involving a multitude of skills and knowledge mainly in the field of Auditing, Accountancy, Programme Based Budgeting, Leadership, Management and Quality Assurance. Of major significance she has worked at the National Audit Office, the Management Audit Bureau, the Ministry of Finance and Economic Development and the National Empowerment Foundation.

Mrs Pareatumbee has been appointed as a non-executive director on the Board of the Mauritius Ports Authority as from October 2013.

Mr Doorgaprasad Rajcoomar
Section Head, Seaport Operations Section, Mauritius Revenue Authority

Mr Rajcoomar has some forty (40) years experience in Customs and has successfully completed his Master's in Business Administration (MBA) with specialisation in Finance in year 1998.

He is also holder of BA (Hons) and a Diplôme d'Etudes Supérieures (DES) from the famous Ecole Nationale des Douanes (France).

He has worked at different levels in various sections of the customs including the port and airport in the former Customs and Excise Department. He joined the Mauritius Revenue Authority as Section Head in 2006. As such he has been successively heading the Preventive and Drugs, Surveillance and Enforcement Sections and presently the Seaport Operations Section.

Mr Rajcoomar has worked for three years for the United Nations as Customs Expert and presently he is a World Customs Organisation (WCO) accredited Advisor on Risk Management.

He has served as a non-executive director on the Board of the Mauritius Ports Authority previously and his present appointment as non-executive director on the MPA Board dates back to May 2015.

Captain Wong Tat Chon Wong Chung Toi
Member

Captain Wong Chung Toi who holds a Master's (Foreign Going) Certificate (UK) and an MSc from the World Maritime University (Malmö) started a fruitful career spanning over 14 years at sea, sailing mostly on general cargo vessels and occupying various positions including that of Master on board both cargo and passenger vessels. He joined the then Mauritius Marine Authority as Pilot on 2 May 1979.

In April 1982, he was promoted Assistant Port Master and thereafter he was offered the post of Port Master in January 1984.

In August 1996, he was given additional responsibilities of Deputy Director-General, over and above his normal duties of Port Master. In the wake of the port sector reform in 1998, Captain Toi was appointed Director-General of the Mauritius Ports Authority.

Captain Toi was also the Chairman of the Port Management Association of Eastern and Southern Africa from 2004 to 2007.

He had the privilege of receiving the President's Distinguished Service Medal (PDSM) in 2009.

Captain Toi is an independent non-executive director on the Board of the Mauritius Ports Authority.

CORPORATE GOVERNANCE REPORT

Mr James John Lenaghan
Director of Customs, Mauritius Revenue Authority

Mr Lenaghan was appointed Director of Customs, Mauritius Revenue Authority in May 2012. He is also Vice-Chair of the World Customs Organisation-Eastern and Southern (WCO-ESA) Region.

After graduating from Hull University in 1984 he joined HM Revenue & Customs as a direct entrant executive officer. Later he was appointed head of British Telecom's Customs & International Trade Unit before taking up senior positions in the Customs & International Trade Groups of PwC, E&Y and KPMG, where he was head of the UK National Practice. During the last decade he has worked for the African Development Bank, United Nations Development Programme, USAID and European Union on customs capacity building assignments in Bermuda, Bulgaria, Egypt, Kazakhstan, Kosovo, Kyrgyzstan, Moldova, Nigeria, Namibia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, Vietnam, Indonesia, Thailand, Fiji, Kiribati, Palau, RMI, Tuvalu, Vanuatu, PNG, India, Bangladesh, Nepal and Bhutan.

Mr Lenaghan holds a BA in History from Hull University and a double MA in International Customs Law & Administration, and International Revenue Management from Canberra University. He is a Chartered Shipbroker; a graduate of both the Institute of Export and British International Freight Association. He holds an IATA Air Cargo Diploma, BTEC in Security Management Systems for the Supply Chain and a Diploma in Strategic Export Compliance.

He has served on the Board of the MPA as a non-executive director from June 2012 to April 2015.

BOARD COMMITTEES

Although the Board is ultimately responsible for the performance and affairs of the Authority, it has set up subcommittees to assist the Board of Directors in discharging its duties through a more comprehensive evaluation of specific issues followed by well-considered recommendations to the Board.

As the Board is called upon to take purposeful decisions in a timely manner and to act effectively, it has to be supported by subcommittees. These committees provide guidance to the Board on aspects of corporate governance and give support to the executives and exercise appropriate oversight.

The following committees have been constituted on 1 December 2011 to enhance the decision-making process of the Authority and facilitate the efficient flow of information and the implementation of policies:

1. Staff Committee
2. Audit & Risk Management Committee
3. Finance & Investment Committee
4. Land Lease Management Committee
5. Corporate Governance Committee

In line with best practices and corporate governance principles, it is considered appropriate to review periodically the terms and constitution of these committees.

1. STAFF COMMITTEE

The Staff Committee considers and determines establishment matters relating to the recruitment, appointment, promotion and empowerment of staff as well as the terms and conditions of employment. All recommendations made by the Staff Committee in regard to the establishment and conditions of employment are submitted for the consideration of the Board.

With the setting up of the Committee of Corporate Governance in 2001, corporate governance has become an important concern for all institutions. Every corporate body should be led by an effective Board which must exercise leadership, enterprise, integrity and judgment in directing the organisation in a transparent, accountable and responsible manner.

The terms of reference of the Staff Committee with regard to its composition and powers to deal with all staff matters date as far back as 1977. In line with the Code of Corporate Governance, the Authority has clear and up to date guidelines to deal with all matters pertaining to human resources management.

The MPA Staff Committee shall have the mandate to:

(i) recommend to the Board human resource strategies policies;
(ii) consider matters pertaining to appointment, promotion, confirmation of appointment of employees, application for early retirement;
(iii) carry out interview of candidates for the filling of vacant positions as per the Authority's approved recruitment and selection procedures;
(iv) recommend as and when required the setting up of a subcommittee to carry out selection interview for lower grades;
(v) make recommendations in respect of the remuneration policy following performance appraisal;
(vi) consider and recommend training as per the Authority's Training Policy/Plan;

(vii) consider matters pertaining to disciplinary actions and industrial relations;
(viii) consider recommendations from Salary Commissioner/HRD Consultants in the context of the Authority's Salary Reviews/Human Resource Development Plans;
(ix) consider matters relating to welfare of employees;
(x) consider and recommend changes to the terms and conditions of service;
(xi) consider and recommend the participation of MPA officers in overseas training/seminar/workshop; and
(xii) consider other issues pertaining to human resources management.

The membership of the Staff Committee is constituted as follows:

Chairperson	Mr Ramalingum Maistry
Members	Mr S. Suntah, Director-General, Mauritius Ports Authority
	Mr Kechan Balgobin, Representative of External Communications Division of the Ministry of Tourism & External Communications
Secretary	Mrs Prameshwary Gungaram, Manager Human Resources

2. AUDIT AND RISK MANAGEMENT COMMITTEE

In December 2013, the Audit Committee was restructured as an Audit & Risk Management Committee to provide a roadmap for the development of proactive strategies with a view to ensuring that every effort is made to appropriately manage risk that may have a bearing on port operations. In the light thereof, the attributes of the Audit & Risk Management Committee have been reviewed incorporating the following.

INTERNAL AUDIT FUNCTION

(i) To consider the adequacy of the Audit Plan and to ensure that the annual Internal Audit exercise covers all operations and the areas of risks;
(ii) To scrutinize and discuss on periodical reports submitted by the Internal Audit & Risk Department. These reports should include inter-alia observations, conclusions, recommendations and strategies;
(iii) To ensure that decisions taken at the level of the Audit & Risk Committee are timely implemented to bring in expected results;
(iv) To examine the performance reported on quarterly financial statements;
(v) To assign specific duties to the Corporate Auditor pertaining to, among others, the following:

- Management of investment portfolios and investment in port related projects;
- Raising of loans for financing port projects;
- Acquisition and disposal of any asset and share of securities;
- Financial aspects of the Concession Contract;
- Hedging techniques to mitigate losses in foreign exchange and operation of foreign accounts.

(vi) To instruct the Corporate Auditor to carry out specific investigations on suspected malpractices or alleged frauds as and when needed;
(vii) To consider the views of the Corporate Auditor on the effectiveness of MPA's corporate governance processes;
(viii) To report regularly to the Board on the actions of the Audit & Risk Management Committee.

RISK MANAGEMENT FUNCTION

(i) To review risk management functions and the annual risk management plan;
(ii) To assess the scope and effectiveness of systems established and to monitor financial and non-financial risks;
(iii) To review risk assessment reports on a periodic basis to enable the Audit & Risk Committee to assess the risks related to the Authority's operations and to consider the major risks identified and how they are controlled and monitored;
(iv) To review the effectiveness of on-going risk findings and evaluation of significant risks for prioritisation and allocation of resources to address areas of high exposure;
(v) To assess the role of the risk management function in the overall context of the risk management function;
(vi) To review the Authority's arrangements for compliance with risk management guidelines as per ISO 31000.

The Audit and Risk Management Committee is composed of the following:

Chairperson Captain Wong Tat Chon Wong Chung Toi

Members Mr Doorgaprasad Rajcoomar, Section Head, Seaport Operations Section, Mauritius Revenue Authority
Mr Om Kumar Dabidin, Permanent Secretary, Home Affairs Division of the Prime Minister's Office

Secretary Mr Vyas Rughoonauth, Manager, Administrative Services

The Chairperson of the Audit and Risk Management Committee was the former Director-General of the MPA and reckons extensive experience in accounting and financial matters.

3. FINANCE & INVESTMENT COMMITTEE

The attributes of the Finance & Investment Committee are being updated to be in line with the approval limits as contained in the Internal Procurement Procedures Manual and approved by the Board at its meeting held in October 2014. The Committee makes submissions on the following for the consideration of the Board:

(i) MPA Budget for the ensuing year;
(ii) Financial statements for the current year;
(iii) Procurement of goods and services above Rs 1,000,000 (excl. VAT);
(iv) Purchase of foreign currencies for the Authority's debt servicing exercise with a view to meeting payments due to contractors;
(v) Investments of surplus cash in fixed deposit accounts denominated MUR and/or other foreign currencies;
(vi) Provision of incentive schemes to be granted to shipping lines;
(vii) Payment of dividends to Government based on estimated net surpluses;
(viii) Investment in port development projects;
(ix) Raising of loans for financing port development projects;
(x) Early redemption of local/foreign loans;
(xi) Acquisition of any land/building or any interest thereon;
(xii) Mitigation of forex losses through hedging techniques;
(xiii) Subscription, acquisition and disposal of shares or securities of anybody corporate;
(xiv) Granting of loans to other bodies subject to the approval of the Minister;
(xv) Forming part or subscription to the share capital of a company or enter into a management contract with any company or any person for the purpose of managing its investments;
(xvi) Investment of any sum not immediately required for the purposes of its business;
(xvii) Realisation of investments, securities or loans under the Authority's control in order to finance its operations or for the purpose of reinvestment.

The Finance & Investment Committee is constituted as follows:

Chairperson Mrs Vailamah Pareatumbee, Lead Analyst, Ministry of Finance & Economic Development

Members Mr Kechan Balgobin, Representative of External Communications Division of the Ministry of Tourism & External Communications
Mr Shekur Suntah, Director-General

Secretary Mr Adesh Sharma Soyjaudah, Manager, Financial Accounting

4. LAND LEASE MANAGEMENT COMMITTEE

The Land Lease Management Committee makes recommendations to the Board on new lease applications, renewal of current leases, whilst setting up/reviewing guidelines and procedures for land management and land allocation with the following terms of reference:

(i) Recommend renewal of existing lease agreements to the MPA Board;
(ii) Assess all applications against set criteria and make recommendations to the Board;
(iii) Advise the Board on the proper implementation of approved procedures/guidelines from time to time;
(iv) Review criteria for evaluation of land applications including procedures/guidelines for approval by MPA Board;
(v) Advise the Board on improvements for the effective running of the Land Management Unit;
(vi) Advise the Board on any major review or undertaking in regard to land management.

CORPORATE GOVERNANCE REPORT

The Land Lease Management Committee is constituted as follows:

Chairperson Mr Shekur Suntah, Director-General, MPA

Members Mr Kechan Balgobin, Representative of External Communications Division of the Ministry of Tourism & External Communications
Mrs Vailamah Pareatumbee, Lead Analyst, Ministry of Finance & Economic Development
Captain Wong Tat Chon Wong Chung Toi

Co-Opted Members Mrs Mary Jane Lau Yuk Poon, Assistant Solicitor-General, State Law Office
Mr Yodhun Bissessur, Director, Valuation & Real Estate Consultancy Services, Valuation Office Department
Mr Vinod Seebun, Chief Technical Officer, Ministry of Housing & Lands

Secretary Mr Vyas Rughoonauth, Manager, Administrative Services

5. CORPORATE GOVERNANCE COMMITTEE

The objective of the MPA Corporate Governance Committee is to provide guidance to the Board on aspects of corporate governance and to recommend the adoption of best practices. The attributes of the Corporate Governance Committee are to ensure that:

(i) the reporting requirements on corporate governance are in accordance with the principles of the Code of Corporate Governance and that the Authority's Annual Report discloses the following:

- Holding structure of MPA
- A profile of the Board Directors, the Director-General and each member of the senior management team
- Dividend policy
- Detailed remuneration allocated to Board Directors
- Main terms of reference of Board committees and attendance details of directors
- Identification of key risks and their control
- Policies and practices as regards social, safety & health and environmental issues.

(ii) the Board comprises a majority of independent non-executive directors;
(iii) the Board exercises its powers and discharges its responsibilities as stipulated in the Ports Act;
(iv) the Board subcommittees are run effectively and smoothly;
(v) a Code of Conduct is formulated establishing obligations of directors as set out in the National Code of Corporate Governance and the duties of the Directors to the Authority and to the Board;
(vi) clear lines of responsibility and accountability prevail throughout the Authority;
(vii) effective and regularly reviewed structures are in place to support the implementation and development of integrated governance across the MPA;
(viii) timely reports are made to the Board of Directors, including recommendations and remedial action taken or proposed if there is an internal failing in systems or services; and
(ix) a sufficient independent and objective assurance is in place to support the robustness of key processes across all areas of governance.

Chairperson Mr Om Kumar Dabidin, Permanent Secretary, Home Affairs Division of the Prime Minister's Office

Members Captain Wong Tat Chon Wong Chung Toi
Mr Doorgaprasad Rajcoomar, Section Head, Mauritius Revenue Authority

Secretary Ms Ooma Devi Rajagopall, Chief Officer, Administrative Services

CORPORATE GOVERNANCE REPORT

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

There were ten (10) scheduled meetings of the Board and seven (7) special meetings of the Board totalling 17 meetings for the 2015 financial year. The Board committees met in advance of the Board meetings and responded to matters within their remit and advised the Board accordingly.

	BOARD	STAFF COMMITTEE	AUDIT & RISK MANAGEMENT COMMITTEE	FINANCE & INVESTMENT COMMITTEE	LAND LEASE MANAGEMENT COMMITTEE	CORPORATE GOVERNANCE COMMITTEE
TOTAL NUMBER OF MEETINGS	17	12	2	15	8	2
CHAIRPERSON						
Ms Maheswaree Madhub	2	-	-	-	-	-
Mr Ramalingum Maistry	15	8	-	-	-	-
REPRESENTATIVE OF THE EXTERNAL COMMUNICATIONS DIVISION OF THE MINISTRY OF TOURISM & EXTERNAL COMMUNICATIONS						
Ms Shamira Bheekhoo	1	-	-	2	-	-
Mr Kechan Balgobin	16	12	-	13	8	-
DIRECTOR-GENERAL, MPA						
Mr Shekur Suntah	17	12	-	15	8	-
MEMBER (PERMANENT SECRETARY, HOME AFFAIRS DIVISION OF THE PRIME MINISTER'S OFFICE)						
Mr Om Kumar Dabidin	15	-	1	-	-	2
MEMBER (LEAD ANALYST, MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT)						
Mrs Vailamah Pareatumbee	16	-	-	15	8	-
MEMBER (DIRECTOR OF CUSTOMS, MAURITIUS REVENUE AUTHORITY)						
Mr James John Lenaghan	3	-	-	-	-	-
MEMBER (SECTION HEAD, MAURITIUS REVENUE AUTHORITY)						
Mr Raj Gupta Ramnarain	1	-	-	5	-	-
MEMBER (SECTION HEAD, SEAPORT OPERATIONS SECTION, MAURITIUS REVENUE AUTHORITY)						
Mr Doorgaprasad Rajcoomar	12	4	2	2	-	1
MEMBER						
Captain Wong Tat Chon Wong Chung Toi	16	-	2	-	8	2
MEMBER (ASSISTANT SOLICITOR-GENERAL, STATE LAW OFFICE)						
Mrs Mary Jane Law Yuk Poon	-	-	-	-	5	-
MEMBER (CHIEF TECHNICAL OFFICER, MINISTRY OF HOUSING & LANDS)						
Mr Vinod Seebun	-	-	-	-	8	-
MEMBER (AG. DIRECTOR, VALUATION & REAL ESTATE CONSULTANCY SERVICES, VALUATION OFFICE DEPARTMENT)						
Mrs Roshni Bissessur	-	-	-	-	-	-
MEMBER (DIRECTOR, VALUATION & REAL ESTATE CONSULTANCY SERVICES, VALUATION OFFICE DEPARTMENT)						
Mr Yodhun Bissessur	-	-	-	-	7	-

CORPORATE GOVERNANCE REPORT

FINANCIAL STATEMENTS

The Board bears responsibility for the preparation of the financial statements of the Authority for each Financial Year. These statements present a true and fair picture of the financial situation of the Authority. They also highlight the gains or losses and cash flows for the current Financial Year. In preparing the financial statements, the Board is required to:

(i) Select appropriate accounting policies and implement them efficiently;
(ii) Take reasonable steps for the prevention and detection of fraud and other irregularities and to safeguard the assets of the Authority;
(iii) Make judgments and estimates that are reasonable and prudent; and
(iv) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in business.

REMUNERATION OF DIRECTORS, EXECUTIVES AND STAFF

The Directors sitting on the Mauritius Ports Authority Board and committees are paid fees for their attendance services, the amount of which is determined by the MPA Board.

Remuneration arrangements for the Director-General and staff of the MPA are determined by the Board on the basis of a Human Resources Development Report. The Authority's remuneration policy provides for a review of salaries every three years.

A total sum of Rs 1,263,600 was paid to members of the Board and subsidiary committees of the Board during the year 2015.

FEES PAID TO MEMBERS OF THE BOARD AND SUBSIDIARY COMMITTEES

BOARD/COMMITTEE MEMBER	BOARD	STAFF COMMITTEE	AUDIT & RISK MANAGEMENT COMMITTEE	FINANCE & INVESTMENT COMMITTEE	LAND LEASE MANAGEMENT COMMITTEE	CORPORATE GOVERNANCE COMMITTEE	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Mr Ramalingum Maistry*	-	-	-	-	-	-	
Ms Maheswaree Madhub	80,000	-	-	-	-	-	80,000
Mr Kechan Balgobin	140,000	48,800	-	44,000	28,000	-	260,800
Mr Shekur Suntah**	-	-	-	-	-	-	-
Mr Om Kumar Dabidin	128,000	-	4,000	-	-	10,400	142,400
Mrs Vailamah Pareatumbee	160,000	-	-	67,600	28,000	-	255,600
Mr James John Lenaghan	36,000	-	-	-	-	-	36,000
Mr Raj Gupta Ramnarain	24,000	-	-	20,000	-	-	44,000
Mr Doorgaprasad Rajcoomar	116,000	16,000	8,000	8,000	-	4,000	152,000
Captain Wong Tat Chon Wong Chung Toi	160,000	-	10,400	-	28,000	8,000	206,400
Mrs Mary Jane Law Yuk Poon	-	-	-	-	16,000	-	16,000
Mr Vinod Seebun	-	-	-	-	38,400	-	38,400
Mrs Roshni Bissessur	-	-	-	-	8,000	-	8,000
Mr Yodhun Bissessur	-	-	-	-	24,000	-	24,000
TOTAL	**844,000**	**64,800**	**22,400**	**139,600**	**170,400**	**22,400**	**1,263,600**

**Mr Ramalingum Maistry, Chairperson, drew an all-inclusive fee of Rs 910,000 for the period ending December 2015. However, he did not derive any fee by virtue of his chairmanship of the Staff Committee.*

***Mr Shekur Suntah, Director-General, was paid a salary of Rs 2,284,750 for the period ending December 2015.*

CORPORATE GOVERNANCE REPORT

REPRESENTATION OF MPA OFFICERS ON BOARD OF STATUTORY BODIES AND COMPANIES

In accordance with the disclosure requirements under the Code of Corporate Governance, details of the fees derived by MPA officers sitting on board of statutory bodies and companies for the reporting period are shown below:

UP TO AUGUST 2015

COMPANY	DIRECTOR	DATE OF APPOINTMENT	TOTAL FEES (RS)	ALTERNATE	DATE OF APPOINTMENT	TOTAL FEES (RS)
Cargo Handling Corporation Ltd	**Mr Shekur Suntah,** Director-General	15.09.08	81,500	**Mrs Aruna Devi Bunwaree Ramsaha**, Deputy Director-General (Management Support Services)	15.09.08	22,000
				Mr Shakeel Goburdhone, Deputy Director-General (Technical & Operational Services)	15.09.08	76,000
Les Moulins de la Concorde Ltée	**Mr Shekur Suntah,** Director-General	15.09.08	39,500			
Froid des Mascareignes Ltée	**Mr Shekur Suntah,** Director-General	15.09.08	2,550			
	Mrs Aruna Devi Bunwaree Ramsaha, Deputy Director-General (Management Support Services)	13.06.12	9,000	**Mr Shakeel Goburdhone,** Deputy Director-General (Technical & Operational Services	15.09.08	Nil
State Property Development Co Ltd	**Mr Shekur Suntah,** Director-General	15.09.08	83,000	**Mr Shakeel Goburdhone,** Deputy Director-General (Technical & Operational Services)	15.09.08	Nil
Maurinet Investment Ltd	**Mrs Aruna Devi Bunwaree Ramsaha**, Deputy Director-General (Management Support Services)	15.09.08	100,000	**Mr Shreeganesh Ganga,** Director, Finance	15.09.08	Nil
				Mr Ravishankar Woottum, Director IT Services	15.09.08	Nil
	Mr Shakeel Goburdhone, Deputy Director-General (Technical & Operational Services)	15.09.08				
Mauritius Network Services Ltd	**Mrs Aruna Devi Bunwaree Ramsaha**, Deputy Director-General (Management Support Services)	15.09.08	100,000			
Mauritius Cargo Community Services Ltd	**Mr Shekur Suntah,** Director-General	15.09.08	59,500	**Mrs Aruna Devi Bunwaree Ramsaha,** Deputy Director-General (Management Support Services)	15.09.08	Nil
Mauritius Shipping Corporation Ltd	**Mr Kwok Kong Chan Shin Yu,** Manager, Marine Engineering	15.09.08	-	**Mr Narad Dawoodarry,** Director, Administrative & Legal Services	15.09.08	Nil
State Trading Corporation	**Mr Chandradutt Rogbeer,** Corporate Auditor	15.09.08	92,130	**Mr Narad Dawoodarry,** Director, Administrative & Legal Services	15.09.08	Nil
Seafarers' Welfare Fund	**Captain Louis Benoit Barbeau,** Port Master	11.04.12	6,200			
Mauritius Oceanographic Institute	**Captain Louis Benoit Barbeau,** Port Master	18.06.12	1,200			

CORPORATE GOVERNANCE REPORT

AS FROM SEPTEMBER 2015

COMPANY	DIRECTOR	DATE OF APPOINTMENT	TOTAL FEES (RS)	ALTERNATE	DATE OF APPOINTMENT	TOTAL FEES (RS)
Cargo Handling Corporation Ltd	**Mr Shekur Suntah,** Director-General	30.09.15	52,500	**Mrs Aruna Devi Bunwaree Ramsaha,** Deputy Director-General (Management Support Services)	30.09.15	Nil
	Mr Shakeel Goburdhone, Deputy Director-General (Technical & Operational Services)	30.09.15	38,000	**Mr Sandesh Kumar Seelochun,** Ag. Director, Port Development	30.09.15	Nil
Froid des Mascareignes Ltée	**Captain Louis Benoit Barbeau,** Port Master	30.09.15	Nil	**Mrs Nomita Devi Seebaluck,** Manager, Port Operations	30.09.15	Nil
	Mrs Aruna Devi Bunwaree Ramsaha, Deputy Director-General Management Support Services)	30.09.15	Nil	**Mr Shreeganesh Ganga,** Director, Finance	30.09.15	Nil
State Property Development Co. Ltd	**Mr Shekur Suntah,** Director-General	30.09.15	74,000	**Mr Shakeel Goburdhone,** Deputy Director-General (Technical & Operational Services)	30.09.15	Nil
Les Moulins de la Concorde Ltée	**Mrs Aruna Devi Bunwaree Ramsaha,** Deputy Director-General (Management Support Services)	30.09.15	Nil	**Captain Louis Benoit Barbeau,** Port Master	30.09.15	Nil
Maurinet Investment Ltd	**Mr Shreeganesh Ganga,** Director, Finance	12.11.15	10,000	**Mrs Nomita Devi Seebaluck,** Manager, Port Operations	12.11.15	Nil
	Mr Sandesh Seelochun, Ag. Director, Port Development	12.11.15	10,000	**Mr Gowraj Angad,** Manager, Land Administration & Surveying	12.11.15	Nil
Mauritius Network Services Ltd	**Mr Shreeganesh Ganga,** Director, Finance	12.11.15	10,000			
Mauritius Cargo Community Services	**Mr Shekur Suntah,** Director-General	30.09.15	42,500	**Mrs Aruna Devi Bunwaree Ramsaha,** Deputy Director-General (Management Support Services)	30.09.15	Nil
Mauritius Shipping Corporation Ltd	**Mr Chandradutt Rogbeer,** Corporate Auditor	30.09.15	Nil	**Mr Kwok Kong Chan Shin Yu,** Manager, Marine Engineering	30.09.15	40,959
State Trading Corporation	**Mr Narad Dawoodarry,** Director, Administrative & Legal Services	30.09.15	30,000	**Mr Shreeganesh Ganga,** Director Finance	30.09.15	Nil
Mauritius Sailors' Home Society	**Captain Kavidev Neewoor,** Assistant Port Master	30.09.15	Nil	**Mr Kwok Kong Chan Shin Yu,** Manager, Marine Engineering	30.09.15	
Seafarers' Welfare Fund	**Mr Mukhram Moloo,** Ag. Director, Human Resources	30.09.15	4,205	**Mr Gowraj Angad,** Manager, Land Administration & Surveying	30.09.15	1,070
Mauritius Oceanographic Institute	**Captain Louis Benoit Barbeau,** Port Master	30.09.15	-	**Captain Thakoorsing Saugur,** Asst Port Master	30.09.15	Nil

CORPORATE GOVERNANCE REPORT

MATERIAL CLAUSES OF THE MAURITIUS PORTS AUTHORITY

The Mauritius Ports Authority is governed by the Ports Act 1998.

DIRECTORS DEALING IN SHARES OF THE COMPANY

The MPA being a parastatal and regulatory body is wholly owned by the Government of Mauritius. The organisation, thus does not issue shares to private investors or to the public. Therefore, none of its directors had dealings in shares during the period under review.

IMPORTANT ASPECTS OF SHAREHOLDERS' AGREEMENT AFFECTING GOVERNANCE

Given that the MPA is wholly owned by the Government, there is no shareholder's agreement. Its functions as a regulatory body are governed by the Ports Act 1998. There is thus no shareholder's agreement affecting governance.

Important aspects or terms of third party management agreement with the MPA

The MPA has leased the Mauritius Container Terminal and Multipurpose Terminal to the Cargo Handling Corporation Ltd. (CHCL). The latter pays a concession fee to the MPA on a monthly basis, which has been computed in terms of USD, but payable in Mauritian rupees. Given the financial difficulties of the CHCL and taking into consideration that it is a governmental organisation as well, the MPA has agreed to cap the USD rate of exchange to Rs 28.05 per USD for the conversion of the concession fee payable into Mauritian rupees.

SHARE OPTION PLAN

The Mauritius Ports Authority does not have any Employee Share Option Plan.

DIRECTORS' SERVICE CONTRACTS

There are no service contract between the Mauritius Ports Authority and its directors.

SIGNIFICANT CONTRACTS

No contract of significance subsisted during the period under review between the Mauritius Ports Authority and any director either directly or indirectly.

CALENDAR OF MAIN EVENTS

Financial Year End – 31 December
As per Section 12 of the Ports Act 1998, the Authority shall submit to the Minister an annual report of its activities together with the audited accounts within six (6) months at the end of its financial year.

DIVIDEND POLICY

As per Section 16 (3) of the Ports Act 1998, the net surplus of the Authority shall be applied for the creation of general reserve, specific reserves or the payment of dividends as the Authority may think fit and as the financial situation of the Authority will permit.

SHARE PRICE INFORMATION

The Authority does not have any share price disclosure being a governmental organisation.

RELATED PARTY TRANSACTIONS

Please refer to note 33 of the financial statements.

DONATIONS (INCLUDING CSR)	FY 2015 Rs'000
Political donations	Nil
Others donations (including CSR)	578.5

AUDITORS REMUNERATION	FY 2015 Rs'000
External Auditors Fees payable to BDO & Co for audit FY 2015	690.0
Fees paid for other services provided by BDO & Co	825.7

DETAILED OF NON-AUDIT SERVICES PROVIDED TO THE AUTHORITY BY THE EXTERNAL AUDITORS

The services of Messrs. BDO & Co have been retained for the provision of the following non audit services:

(i) Preparation of the MPA Human Resources Development Plan; Messrs. BDO & Co was awarded the contract for the preparation of the MPA Human Resources Plan on 02 October 2015 at the total price of Rs 4,128,500 (VAT inclusive);

(ii) Preparation of the MPA Corporate Plan 2016-2018. Messrs. BDO & Co was awarded the contract for the preparation of the MPA Corporate Plan 2016-2018 on 13 November 2015 at the total price of Rs 350,000 (VAT inclusive).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

The Board of Directors ensures through its system of governance, that adequate accounting records are maintained so as to disclose at any time, and with reasonable accuracy, the financial position of the Authority. They are also responsible for taking reasonable steps to safeguard the assets of the Authority and hence to prevent fraud and detect other irregularities.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with International Financial Reporting Standards (IFRS) and the responsibility of external auditors to report on these financial statements.

In preparing such financial statements, they have ensured the following:

- select suitable accounting policies and apply them on a consistent basis using reasonable and prudent judgment; and
- state whether appropriate accounting standards and International Financial Reporting Standards (IFRS) have been adhered to and in conformity with changes in presentation.

The financial statements have been prepared on a going concern and there is no reason to believe that the Authority will not continue as a going concern in the year ahead.

The Audit and Risk Management Committee monitors the integrity of the Financial Statements and is responsible for reviewing the system of internal controls. It examines weaknesses that may be identified in controls and make appropriate recommendations to the Board.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business.

The Directors confirm that the MPA has adhered to most of the requirements of the Code of Corporate Governance and has ensured that the financial statements comply with the Statutory Bodies/Accounts and Audit Act 1982.

The external auditors, BDO & Co, Chartered Accountants have independently reported on whether the Financial Statements are fairly presented.

The Authority will submit a copy of its Annual Report to the Financial Reporting Council, in accordance with the Financial Reporting Act 2004.

This report was approved by the Board and is signed on its behalf.

Ramalingum Maistry
Chairman

Shekur Suntah
Director-General

... together we are
heading towards
new horizons ...

MPA MANAGEMENT CONSTITUTION

MANAGEMENT CONSTITUTION

Director-General	Mr Shekur Suntah	s.suntah@mauport.com
Deputy Director-General (Management Support Services)	Mrs Aruna Devi Bunwaree Ramsaha	a.ramsaha@mauport.com
Deputy Director-General, (Technical & Operational Services)	Mr Shakeel Goburdhone	s.goburdhone@mauport.com
MARINE		
Port Master	Captain Louis Benoit Barbeau	l.barbeau@mauport.com
Assistant Port Master	Captain Kavidev Newoor	k.newoor@mauport.com
Assistant Port Master	Captain Thakoorsing Saugur	t.saugur@mauport.com
ADMINISTRATIVE & LEGAL SERVICES		
Director, Administrative & Legal Services	Mr Narad Dawoodarry	n.dawoodarry@mauport.com
Manager, Administrative Services	Mr Vyas Rughoonauth	v.rughoonauth@mauport.com
FINANCE		
Director, Finance	Mr Shreeganesh Ganga	s.ganga@mauport.com
Manager, Management Accounting	Mrs Pritty Keesonah	p.keesonah@mauport.com
Manager, Financial Accounting	Mr Adesh Sharma Soyjaudah	a.soyjaudah@mauport.com
Manager, Procurement	Mrs Priya Thama Seebaruth	p.seebaruth@mauport.com
AUDIT AND RISK		
Corporate Auditor	Mr Chandradutt Rogbeer	c.rogbeer@mauport.com
Manager, Risk (Audit)	Mrs Maleena Jankee Bhurtun	m.bhurtun@mauport.com
Internal Auditor	Mrs Lawtee Rugbur	l.rugbur@mauport.com
PORT DEVELOPMENT		
Ag. Director, Port Development	Mr Sandesh Seelochun	s.seelochun@mauport.com
IT SERVICES		
Director, IT Services	Mr Ravishankar Woottum	r.woottum@mauport.com
Manager, IT Services	Mr Azadally Nawool	a.nawool@mauport.com
HUMAN RESOURCES		
Ag. Director, Human Resources	Mr Mukhram Moloo	m.moloo@mauport.com
Manager, Human Resources (Training/Development)	Mrs Prameshwary Gungaram	p.gungaram@mauport.com
PORT OPERATIONS		
Manager, Port Operations	Mrs Nomita Devi Seebaluck	n.seebaluck@mauport.com
Manager, Port Operations, Planning & Licensing	Mr Gianduth Seewoopersad	g.seewoopersad@mauport.com
TECHNICAL SERVICES		
Manager, Technical Services	Mr Basdeo Bholanath Dhunnoo	b.dhunnoo@mauport.com
LAND ADMINISTRATION & SURVEYING UNIT		
Manager, Land Administration & Surveying	Mr Gowraj Angad	g.angad@mauport.com

MANAGEMENT PROFILE

PROFILES OF SENIOR EXECUTIVES

MR SHEKUR SUNTAH
Director-General

Mr Suntah made his debut in 1981 as Civil and Structural Engineer in the UK after graduating in Civil Engineering from the University of Leeds in 1980. In 1987 he took up employment with Sir Alexander Gibb & Partners (Mauritius) as Structural Engineer. He joined the then Mauritius Marine Authority as Civil Engineer in 1988. He subsequently obtained a MSc (Eng) in Maritime Civil Engineering from the University of Liverpool, UK, in 1992, following which he was appointed Port Engineer in August 1993. He retained this position until December 1998 when he was promoted Deputy Director-General. He occupied this senior position up to August 2006 when he was appointed Acting Director-General. Till date, he holds the post of Director-General of the Authority since his appointment in November 2007. Mr Suntah is a Fellow of the Chartered Institute of Logistics and Transport (CILT).

Mr Suntah has been directly involved over the last 15 years in all aspects of the major Port Sector Reform Programme and has spearheaded the aggressive marketing initiative for the emergence of Port Louis Harbour as a regional container transshipment, cruise and bunkering hub.

He has to his credit the launching of the Ports Association of Indian Ocean Islands and was elected President of the Association in March 2011 for a period of two years. He is also a Director of the Board of the Port Management Association of Eastern and Southern Africa, which was established by the United Nations Economic Commission for Africa, of which MPA is a member since 1988. Mr Suntah is also the alternate Director on the Board of the International Association of Ports and Harbours.

Mr Suntah also holds directorships on several boards of companies and port related organisations. He is currently the Patron of CILT Mauritius. Moreover, he is a regular speaker and moderator at international Ports and Logistics Conferences worldwide since 2001.

MRS ARUNA DEVI BUNWAREE RAMSAHA
Deputy Director-General (Management Support Services)

Mrs Bunwaree Ramsaha graduated in 1992 and subsequently became an ACCA. After a brief employment with the firm of accountants, Lamusse Sek Sum and Partners, she joined the then Mauritius Marine Authority as Accountant in 1993 and was promoted as Finance Manager some four years later. She obtained a Master's in Business Administration from the University of Mauritius in 1996. In 2002, she was awarded a fellowship and became an FCCA. In October 2008, she was promoted to Deputy Director-General.

MR SHAKEEL GOBURDHONE
Deputy Director-General (Technical & Operational Services)

A graduate in Civil Engineering in 1987 from the University of Mauritius, Mr Goburdhone read for a Master's in Business Administration in 1996. He joined the Authority as Civil Engineer in 1990 and was promoted Port Engineer in 1999. Previously, he was employed as Civil Engineer with Sir Alexander Gibb and Partners and reckons some twenty-two years of experience.

In May 2015, he was appointed Deputy Director-General.

CAPTAIN LOUIS BENOIT BARBEAU
Port Master

Captain Barbeau joined the Authority in October 1991 as Pilot and was promoted to the post of Senior Pilot in 1999. In May 2004, he was appointed Assistant Port Master and subsequently Port Master in June 2009. He obtained a Master's Certificate in 1989 from Australia, a Graduate Diploma in Port & Terminal Management in 1999 from the Australian Maritime College and an MBA in Maritime & Logistics in 2010 from the University of Tasmania.

MANAGEMENT PROFILE

PROFILES OF SENIOR EXECUTIVES

MR NARAD DAWOODARRY

Director, Administrative & Legal Services

Mr Dawoodarry obtained his Bachelor degree in 1979 from the University of Punjab. He qualified as a Chartered Secretary in 1990 before reading for a Master's degree in Public Sector Management at the University of Technology in 2003. He is a Fellow of the Chartered Institute of Logistics and Transport since 2008.

He started his career in the Civil Service in 1981 before taking employment as Administrative Officer with the Embassy of the Republic of Korea from 1988 to 1991. Thereafter, he joined the Trust Fund for Disabled Persons as Secretary Treasurer until July 1993. He subsequently took up employment with the then Mauritius Marine Authority in August 1993 as Secretary before being promoted to the post of Administration Manager in 1999. In December 2010, he was appointed as Director, Administrative and Legal Services.

MR SHREEGANESH GANGA

Director, Finance

Mr Ganga is a Fellow of the Association of Chartered and Certified Accountants (FCCA) and holds an MBA with specialisation in Finance from the University of Mauritius.

He first joined the Authority in September 1999 as Assistant Accountant and was promoted Accountant in March 2003. He was offered appointment as Senior Accountant in March 2007 before being promoted to the post of Finance Manager in June 2009.

In December 2010, he was appointed as Director, Finance.

MR CHANDRADUTT ROGBEER

Corporate Auditor

Mr Rogbeer is a Chartered Accountant of the Institute of Chartered Accountants in England and Wales, and a member of the Chartered Institute of Management Accountants. Prior to joining the former Mauritius Marine Authority as Internal Auditor in 1993, he worked with the National Audit Office. In 1998, he was appointed Internal Audit Manager, and subsequently in December 2010, he was appointed as Corporate Auditor.

MR RAVISHANKAR WOOTTUM

Director, IT Services

Mr Woottum holds a Bachelor's degree from the University of Mauritius. He also holds a Master's in Business Administration from the same university.

Mr Woottum started his career as a teacher before shifting to the Development Bank of Mauritius. He then joined the former Mauritius Marine Authority as Computer Programmer/Supervisor in 1988 and served in that position for eight years. In 1997, he was appointed as Computer Analyst. He was then promoted IT Manager in 2006. In December 2010, he was appointed as Director, IT Services.

MR SANDESH SEELOCHUN

Ag. Director, Port Operations

Mr Seelochun qualified for a Master's degree in Industrial and Civil Engineering in 1990. He additionally holds a Master's degree in Business Administration (MBA) with specialisation in Project Management since 2011. He is a Registered Professional Engineer with the Council of Registered Professional Engineers [Mauritius] since 1993, a Member of the Institution of Engineers (Mauritius), and an Associate Member of the Chartered Institute of Arbitrators (UK).

He started his professional career at the Central Water Authority in 1991 where he joined as Trainee Engineer and was subsequently appointed Executive Engineer. He joined the then Mauritius Marine Authority in 1996 as Civil/Senior Civil Engineer. He was promoted Project Engineer in 1999 with his post being restyled firstly, Assistant Port Engineer in 2001 and subsequently, Manager Port Development in 2010. He has been assigned Acting Director Port Development since June 2015.

MANAGEMENT PROFILE

MR MUKHRAM MOLOO
Ag. Director, Human Resources

Mr Moloo holds a degree of Master of Science in Port Management and Shipping Administration from the University of Mauritius.

He joined the Mauritius Ports Authority as Executive Assistant on April 25, 1977 and was subsequently offered appointment as Personnel Officer. The post was restyled as Assistant Human Resources Manager with the implementation of the HRD Report 2000.

Mr Moloo is presently holding the post of Manager, Human Resources on a substantive basis and has been offered actingship in the grade of Director, Human Resources effective as from April 15, 2015.

MRS NOMITA SEEBALUCK
Manager, Port Operations

Mrs Seebaluck graduated with a BA (Hons) degree in Economics from the University of Delhi (India) in 1994 and obtained a Master in Economics from Delhi School of Economics (India) in 1996. In 2007, she obtained an MSc in Port Management and Shipping Administration with distinction from the University of Mauritius. She is also holder of a Diplôme d'Etudes en Langue Française et Diplôme Approfondi de Langue Française from Centre International d'Etudes Pédagogiques (CIEP).

Mrs Seebaluck is also a Chartered Member of the Chartered Institute of Logistics and Transport (MCILT) and she is the President of the local branch of the Association of Women Managers in the Maritime Sector in the Eastern and Southern Africa, WOMESA Mauritius since 2011.

She started her career as Education Officer in 1996. She later joined Happy World Marketing Ltd as Marketing Officer from 1998-2002. Afterwards, Mrs Seebaluck worked at the Mauritius Broadcasting Corporation as Marketing Executive from 2002 to February 2004.

She joined the Authority as Assistant Commercial Manager in March 2004. She was promoted in March 2011 as Manager Port Operations.

MR BASDEO BHOLANATH DHUNNOO
Manager, Technical Services

Mr Dhunnoo has a B.Tech degree in Mechanical Engineering from IIT Bombay, a Graduate Diploma in Maritime and Port Management from the National University of Singapore as well as a Master's in Port Management & Shipping Administration from University of Mauritius/Aix Marseille. He is a Registered Professional Engineer (CRPE), a member of IMarEst (UK) and a member of the Chartered Institute of Logistics and Transport.

Mr Dhunnoo joined the MPA in 1995 as Assistant Workshop Manager, a post which he occupied until 2007 when he was appointed Technical Services Manager.

MR GOWRAJ ANGAD
Manager, Land Administration & Surveying

Mr Angad holds a Land Surveyor's Commission and studied law as an external student of the University of London, prior to completing his post-graduate study in hydrographic survey in Japan, leading to his accreditation as an International Hydrographic Surveyor (B). He also holds a Master's in Business Administration from the University of Technology.

Mr Angad joined the Civil Service in August 1994 as Trainee Surveyor and was promoted as Land Surveyor in 1999, after having successfully completed his Land Surveyor Commission (Gold Medalist of the University of Mauritius on two occasions). He joined the MPA in 2007 as Land Surveyor, a post he occupied until December 2010 when he was appointed as Manager, Land Administration and Surveying.

POLICY STATEMENTS

RISK MANAGEMENT POLICY

As in any Port Authority, the Mauritius Ports Authority faces numerous potential risks that can disrupt the achievement of strategic and operational objectives. MPA is committed to manage risks as an integral part of its operations, focusing on strategies to minimise them. The Authority aims to take better informed decisions and to improve the probability of achieving its strategic and operational objectives.

OBJECTIVES

The objectives of this policy are to:

- Outline the Authority's approach to risk management;
- Improve decision-making, accountability and outcomes through the effective use of risk management;
- Integrate risk management into daily operations of the Authority;
- Consider risk appetite in strategic and operational decision making.

These objectives will be accomplished by:

- Formulating a framework based on ISO 31000 principles and guidelines;
- Nominating a Risk Champion in each department, whose main responsibilities will be to coordinate the risk management process within his department, maintain a risk register for his department, manage the implementation of risk strategies as agreed with Management, monitor progress against action plans designed to manage operational risks and submit quarterly reports/ feedback to his HOD;
- Including risk management as an item for discussion at every staff meeting be it at senior management or departmental level;
- Establishing a reporting protocol to communicate outcomes to the Audit & Risk Committee/ Board and senior management.

POLICY STATEMENT

MPA is committed to managing risk in accordance with the process set out in the Standard ISO 31000 on Risk Management in order to benefit the Authority and manage the cost of risk. To meet this commitment, all employees are required to be responsible and accountable for managing risk in so far as is reasonably practicable within their area of responsibility.

Sound risk management principles and practices must become part of the normal management strategy for all units within MPA. The management of risk is to be integrated into MPA's existing planning and operational processes and is to be fully recognised in the Authority's reporting processes.

The Audit & risk Committee will regularly review the implementation and effectiveness of the risk management process.

RISK FRAMEWORK

The risk framework has been based on ISO 31000 principles and guidelines as PLAN/DO/CHECK/ACT (PDCA) by:

- Setting the Mandate and Commitment;
- Designing of framework;
- Implementing risk management;
- Monitoring and review of the framework;
- Continual improvement of the framework.

RISK MANAGEMENT STRATEGY

The five steps to management of risks consist of:

- Identifying the risks to achieving strategic and operational objectives;
- Determining the owner of the risk;
- Determining and assessing the existing controls in place;
- Assessing the impact and likelihood of the risk after taking account of existing controls to derive the net risk;
- Determining further control improvements to mitigate the risk and indicate what their impact on net risk will be when they are fully implemented;
- Establishing communication and reporting mechanisms.

The nine-box matrix will be used to measure risks by applying the two most common criteria – likelihood of occurrence and significance of impact. The outcome will be documented in a risk register.

RESPONSIBILITIES

The Board has the ultimate accountability for risk management and for creating an appropriate risk management culture across the organisation as well as the structures for risk management to operate effectively.

POLICY STATEMENTS

The Audit and Risk Committee has been delegated responsibilities in respect of Risk Management for monitoring and review of the Risk Management Framework and comment on the effectiveness of risk management activities at the MPA.

Audit & Risk Department provides independent assurance on the adequacy, efficiency and effectiveness of risk management framework and processes. While the risk management function assists the Audit & risk Committee/ Board, Management, HoDs and Risk Champions to meet their requirements under this policy.

Senior Management is responsible for executing the Board's risk strategy by means of risk management systems and processes and is accountable for integrating risk in the day-to-day activities of the MPA.

Head of Department is responsible to identify, assess, evaluate and devise risk management strategies for implementation as well as perform regular reporting on same.

Risk Champion has to coordinate the risk management process, maintain a risk register and manage the implementation of risk strategies for his department for subsequent reporting.

All staffs have a duty to report on all potential risks identified during the execution of their duties and communicate same to the Risk Champion of their respective departments.

RISK CHARTER

A Risk Management Charter has been formulated that outlines objectives, accountability, responsibilities, principles, framework, processes and reporting mechanism in connection with this risk management policy.

CONCLUSION

All staff are responsible for familiarizing themselves with this Policy Statement. All Heads of Department/Section must also make sure their staff know about and follow the Policy Statement.

This Policy Statement has been endorsed by the Board of Directors of the Mauritius Ports Authority.

QUALITY POLICY

As part of our commitment to continuous improvement, customer focus and compliance with regulatory and statutory requirements, the Quality Policy of the Mauritius Ports Authority is based on the principles that identify, manage and evaluate our key business activities, and reduce process, people, health and safety risk.

The principles of planning, practices and people are key features of our Integrated Quality Management System and are monitored for continuous improvement. Our Integrated Quality Management System describes the way in which the MPA undertakes its activities and ensures a coordinated approach across the different business clusters.

MPA is certified as ISO 9001:2008 Quality Management System and is gearing itself to meet the requirements of ISO 14001 Environmental Management System and ISO 27002 Information Security Management.

SAFETY AND HEALTH POLICY

In line with the Safety and Health Policy Statement, we strive to provide a healthy and safe workplace for all of our employees, contractors and visitors by ensuring our safety motto, which is "*we care for each other*".

Our key objectives are to have:

- a workplace where health and safety management and leadership is a core responsibility of our managers and supervisors;
- a workplace where health and safety management and leadership is integrated into core business activities;
- a culture that inspires awareness of and personal responsibility for health and safety; and
- an occupational health and safety management system that meets our internal safety requirements and complies with statutory obligations and expectations.

Our Safety and Health Committee and our Safety and Health Officer and the Director, Human Resources support and drive these objectives.

ENVIRONMENTAL POLICY

The Authority is committed to minimizing the impact of its operations on the port environment. Caring for the environment is one of the Authority's operational concerns. Realizing that we work in a global environment with varying conditions, challenges and capabilities, the Authority also endeavours to improve the environmental performance continually through effective environmental management programmes.

POLICY STATEMENTS

In its continual pursuit of maintaining a sound environment, the MPA is focusing on the following initiatives:

- Expanding its environmental goals and objectives and monitoring its progress;
- Complying with the relevant environmental laws and regulations;
- Developing, constructing and operating its facilities in an environmentally responsible manner that promotes the prevention of pollution;
- Integrating environmental issues into the business decision-making process;
- Using environmentally responsible products where possible;
- Preserving resources by re-using and recycling materials and using less of them, wherever possible.

SECURITY POLICY

The Mauritius Ports Authority is responsible for the security and protection of port infrastructure and assets, and the provision of risk-based security services. In response to the risk of terrorism, the MPA has interpreted the International Ship and Port Facility and Security (ISPS) Code to:

- Ensure compliance with all relevant security legislations;
- Maintain a Security Committee, which will meet frequently to review and update critical procedures and instructions with respect to its people and operations in emergency circumstances;
- Ensure management responsibility and accountability for security;
- Audit and review its security system and performance periodically;
- Consider the security aspects of all new projects;
- Provide and maintain a secure environment for employees, guests and visitors; and
- Continually improve the performance of its security management system.

In this regard, the port waters and the land area under the control of the Authority are now being closely and constantly scrutinised by trained Police and MPA officers operating from a centralised surveillance control room on a 24/7 basis.

In addition to the MPA's port security plan, other port facilities and port service providers have to get their security plans outlining the measures and procedures undertaken to protect vessels that trade in the port waters and the port infrastructure that services those vessels certified by the MPA.

In the pursuit of its mandate for the enhancement of port security, the Mauritius Ports Authority aligns itself to the requirements of the National Maritime and Harbour Security Committee for the implementation of security systems policies and procedures at Port Louis Harbour and Port Mathurin.

EQUAL OPPORTUNITY POLICY

The Mauritius Ports Authority has maintained a long-standing commitment to equal employment opportunity for all employees and applicants for employment. Section 9 of the Equal Opportunities Act 2008 provides that every employer needs to draw up and apply an Equal Opportunity Policy at its place of work with a view to minimizing the risks of discrimination and promoting recruitment, training, selection and employment on the basis of merit.

The principal aims of an Equal Opportunity Policy Statement are to ensure the following:

(a) No job applicant or worker receives less favourable treatment than another, on the basis of his or her status, that is, age, caste, colour, creed, ethnic origin, impairment, marital status, place of origin, political opinion, race, sex or sexual orientation;

(b) No job applicant or worker is placed at a disadvantage by requirements, provisions, criteria, conditions or practices, unless they can be justified as a necessary and appropriate means of achieving a legitimate aim; and

(c) Workers are given training and encouragement to take equal advantage of opportunities in the organisation, irrespective of their status.

In view of our commitment to the principle of equality and to be in line with the legal requirements, an Equal Opportunity Policy Statement as approved by the MPA Board has been implemented since July 2013 covering all aspects of employment including recruitment, terms and conditions of work, training and development, promotion, performance, grievance, discipline, treatment of workers and termination of employment.

The Policy Statement will enable the Authority to reduce the risks of grievances, damage to productivity, staff morale and the organisation's reputation as well as foster good relations in the work place.


… along with the winds of change …

CORPORATE MATTERS

CORPORATE PLANNING

A STRATEGY THAT REFLECTS THE PURPOSE OF THE MPA

Ports are hybrid organisations and embrace a dual mission. The MPA is a business enterprise that must be well managed and poised to seize market opportunities. It is also an independent government agency with a civic-minded intent and capabilities to solve critical infrastructure challenges to boost port activities and safeguard jobs and businesses tied to Port Louis Harbour.

Port Louis Harbour is at a crossroads. As a business, the port faces opportunities and challenges by virtue of its location. In the face of the growing challenges, the MPA has to work strategically to regain ground and move forward. As a public entity, the port is confronted with complex and unmet infrastructure challenges that are critical to its business needs. Energised by these challenges, the MPA has, in November 2015, appointed a firm of consultants to prepare a Corporate Plan for the period 2016-2018 in order to identify promising opportunities for targeted job-creating business growth, and innovative options to not only solve infrastructure challenges, but also to address them in a way that creates community assets. The Plan proposes to take the MPA on a new leadership role in mapping out the strategic orientation, the strategic themes and the different departmental action plans against agreed KPIs.

The existing vision, mission and core values were revisited during a strategic workshop on 23 November 2015 which was a combination of presentation, group activities and interactive discussions among Managers, Directors and Board members. In view of the Government's intention to instill a culture of performance in all public sector organisations, the MPA has decided to adopt corporate strategic thrusts in order to achieve the desirable strategic positioning as depicted in the Government Economic Mission Statement. The outcome of the workshop has been helpful to define the different strategic themes and the strategy map. These reflect the areas where Management will concentrate its efforts in order to contribute to the realisation of the MPA's vision and mission.

The Corporate Plan will essentially be the MPA's principal agenda for the coming three years as regards the further transformation of Port Louis Harbour. No doubt the Plan will give a new impetus and an added dimension to the ongoing efforts for the development of Port Louis Harbour as an emerging logistics platform in the region.

The strategic intent of the MPA as encapsulated in the Authority's Vision, Mission and Core Values will provide a sense of direction, a sense of discovery and a sense of destiny to the organisation. Moreover, the Vision, Mission and Core Values as outlined below would form the basis of the strategic themes which would enable the MPA to create a broad, shared understanding of what strategic actions are intended during the three years' planning horizon.

QUALITY MANAGEMENT SYSTEMS

EMBRACING A CULTURE OF QUALITY

Successful operation of the port has always been the key objective of the MPA. The accumulated knowledge and experience have advanced the employees into positions that constantly demand improvement of management mechanisms in compliance with most modern port practices, creating attractive and trustful attitude towards the client.

In 2000, the Authority set a new target – to implement the ISO 9001 standard in the management system of the port. It means increase of responsibility and competence of the employees and regular audits of the management system and possibilities to realise the competitiveness of the port in a qualitatively new level.

The MPA was certified for the first time in 2004 by the Mauritius Standards Bureau. Thereafter, over the last twelve years, the ISO 9001 certification has been retained and as at date, the MPA is certified according to the 2008 version of ISO 9001. We are now in the process of migrating to the latest version of ISO 9001:2015. The earlier versions of ISO 9001 were quite prescriptive, with many requirements for documented procedures and records. The new standard is based on a number of quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continual improvement.

ISO 9001 is also a good foundation for implementing many other management standards such as ISO 14001 for Environmental Management System and ISO 27001 for Information Security System. In June 2015 the MPA embarked on the implementation of ISO 14001 and has been certified since August 2015 by AJA Registrars (Mauritius). Given the increasing use of Information Technology, Management also decided in November 2015 that the MPA should implement ISO 27001. This project is in its implementation phase. In its endeavour to address the two key concepts in Quality Management System which are continual improvement and customer satisfaction, the MPA has taken the following initiatives:

Better process integration

The Standard Operating Procedures (SOPs) of the various departments/units have been flowcharted and verified with process owners. Same have been signed by the respective Heads. The records to be kept and responsibility for each process step have been clearly indicated. Besides quality objectives have been established at relevant levels and functions. These objectives are as far as possible measurable and can be used for gauging the effectiveness of each process. The SOP manuals are now more user-friendly. Control mechanisms have been included in all processes in order to enable the detection of any deviation. Any deviation is immediately corrected, root causes(s) of problems are then identified and corrective actions are taken to prevent recurrence of any shortcoming. The processes of all departments/units are assessed on a regular basis through internal audits.

Improvement of customer satisfaction

Staff interaction with customers helps obtain feedback on port operations and marine services. Hence, after provision of the pilotage service, the pilot hands over a questionnaire to the Master of the vessel. The latter completes same and indicates whether his requirements have been met. These questionnaires are analysed and any shortcomings addressed. This is an effective way of obtaining the customers' feedback on port services. On the other hand, during the daily port meetings operational issues and problems are discussed and any shortcoming on the part of the MPA are readily addressed. Each customer complaint is an opportunity for improvement.

Create a continual improvement culture

In order to ensure continual improvement, the Corporate Quality Unit has conducted training in Customer Care, Quality Culture, ISO 14001 and ISO 9001:2015 for several batches of MPA employees. This is in line with our vision of inculcating a quality culture at the MPA. The internal customer concept was highlighted during these training sessions. By adopting the culture to improve processes and organisational output, efficiencies and cost savings are bound to take place, including the use of systematic processes when problems occur in order to reduce the impact of the problem and increase the speed of recovery.

Environment Management System ISO 14001:2004

In August 2015, the Mauritius Ports Authority became the first governmental organisation to be certified to the ISO 14001:2004 environmental management standard. The implementation of the standard forms part of the broader strategy of the MPA for a Green Port. The initiative shows management commitment for sustainable port activities and also provides a framework for the continual improvement of its activities towards a more environment friendly port. On the more visible front, the MPA has already implemented several green projects aimed towards waste management and resource conservation such as by recycling all its e-wastes including batteries, used oils, composting its green and kitchen wastes, promoting sustainable use of paper and setting up of a rain water harvesting system.

Energy efficiency and renewable energy are also high on the agenda of the Authority and in November 2015 a pilot PV project has been initiated for the installation of a set of photovoltaic panels on a lower scale to provide lighting and also capture solar data. The pilot project will confirm the viability of the project and in the near future it is intended to scale up the project to cover main port infrastructures. Meanwhile, action for the replacement of about 1600 lighting lamps with more energy efficient ones (LED) is ongoing. The MPA has also approved the way leave agreements for the installation of pipelines related to the Deep Ocean Water Application (DOWA) Project. The DOWA consists of the construction and operation of an undersea water piping and pumping system for cold water from the Indian Ocean to be used for air conditioning purposes in buildings located mainly in the City Centre of Port Louis. The project will have a high environmental incidence with an expected reduction of 40,000 tonnes in annual CO_2 emissions while at the same time bring numerous financial and economic benefits.

Air and water quality and biodiversity conservation in the port are other major environmental aspects that are being monitored. Recently, the MPA engaged itself in two biodiversity conservation projects related to the Rivulet Terre Rouge Estuary Bird Sanctuary (RTREBS) which is a site protected under the RAMSAR convention.

The projects were funded by the European Union through the Agence Française De Developpement (AFD) and consisted of a restoration component and the formulation of a management plan for the site. The first component of the conservation project consisted of the general uplifting and upgrading of the site. A new kiosk and pathway (225 m long) to the bird hide has been constructed. The fencing (about 650 m long) of the site has been upgraded and three benches placed on the site. Two solar powered lamps have also been installed.

A management plan for the site was prepared by Biotope, a French consultancy firm specialised in ecological conservation. The plan will ensure that this site is well protected, made more visible on the local and international front, bring a heightened awareness amongst young and old on the importance of protecting our biodiversity and also bring in the participation of the local community in all conservation efforts needed to preserve this sensitive area. The management plan has been submitted to the concerned authorities and the RAMSAR committee for implementation.

Climate change is the major environmental challenge that Port Louis will have to face in the future. Mauritius being a Small Island Developing State (SIDS) is highly vulnerable to climate change impacts such as sea level rise and more intense weather conditions and to ensure the readiness of the port to adapt to changing climatic conditions the MPA is working closely with the Ministry of Environment, Sustainable Development, Beach and Disaster Management and the Climate Technology Centre and Network (CTCN) for the conduct of a Climate Change Vulnerability and Adaptation Study for the Port of Port Louis. The aim of the study is to conduct a site specific climate change risk assessment for the port and to formulate the most suitable adaptation options for a more resilient harbour.

Finally to ensure the participation of the port community in the Green Port Initiative the MPA revived its Port Environment Charter on the occasion of the World Environment Day on 5 June 2015. The Environment Charter was endorsed by all port stakeholders and shows their commitment towards a better and more sustainable port environment. It will ensure that concrete actions are taken towards a clean and environment friendly port. The Charter encourages the signatories to adopt best environmentally practices, optimisation of renewable energy sources and sound management systems.

The Port Environment Charter will promote a closer collaboration between the MPA and the port operators so that concerted actions are initiated to enhance, protect and ensure a sustainable development of our port while at the same time serve as a platform that will help share knowledge and best practices for environmental conservation.

The MPA is committed to the delivery of continual improvement of its performance. We seek to improve quality performance continually with respect to customer satisfaction, environmental and business performance. With a view to ensuring that the Authority's Management System complies with ISO 9001 and ISO 14000.

HUMAN RESOURCES DEVELOPMENT

EXPANDING HUMAN CAPITAL

The Human Resource Department of the MPA is directly involved in enhancing the skills, knowledge and attitudes of the Authority's employees. The employees, who are the lifeline of the MPA, acquire during their tenure, some set of skills through experience, exposure, training and so on in order to further improve their productivity eventually benefitting the organisation. Over an extended time frame, the MPA has invested significantly in measuring, assessing and developing a positive employee culture. The Authority recognises that a focus on elements which drive and motivate employees will ultimately flow on to drive and motivate the organisation towards improved business outcomes.

This investment is clearly visible through a range of programmes and activities on topics such as leadership

CORPORATE MATTERS

development, developing high performance teams, high potential employee recognition, succession planning, cultural and attitude surveys, and employee recognition schemes. This indicates the focus and commitment by senior management and the Board to developing the employee base in a positive manner, recognising, fostering and encouraging the desirable behaviours and discouraging the less desirable.

In this context, the MPA engaged the University of Mauritius for the provision of a training programme to enhance the skills of its human capital. The training kicked-off in November 2015 with a series of training on modules such as communication skills, motivation, leadership, conflict management, teamwork etc. The project would run over a period of five to six months. Induction and orientation programmes were also introduced to new employees to give them basic background information that they need to work such as policies, procedures, rules and regulations.

Additionally, Messrs. Hamburg Port Training Institute were awarded the consultancy services for the design and implementation of a Training Programme addressing Port Operational Risks. After the diagnosis phase, the consultants conducted some 17 training sessions covering a population of nearly 200 participants from the Port Security, Port Safety and Port Environment units as well as top management. This training programme which was financed by a grant from the AFD (Agence Française de Developpement), was very beneficial to the MPA as the course contents were very practical and relevant to the above mentioned fields.

While these programmes have been successful in their own right, the MPA will now work to embed the cultural values they embody more clearly within the policies, processes, procedures and daily operations of our organisation.

HUMAN RESOURCES DEVELOPMENT PLAN 2016

With the rapid transformation of the maritime industry and the various changes that have occurred in the port over the past five years, the need was felt for the preparation and implementation of a comprehensive Human Resources Development Plan that would enable the Authority to meet new challenges and adapt to new changes more efficiently and effectively. In this context, the MPA awarded the contract for the preparation of a Human Resources Development (HRD) Plan to Messrs. BDO & Co in October 2015. The objectives of HRD Plan would be to ensure the:

- Forecasting of human resources requirements: It is essential to determine the future needs of human resources at the MPA to provide the right kind of people at the right time.
- Effective management of change: Proper planning is required to cope with changes in the different aspects which affect the MPA. These changes need continuation of allocation/reallocation and effective utilisation of human resources at the MPA.
- Realising the MPA's organisational goals: In order to meet the expansion and other organisational activities, the organisational HR planning is essential.
- Promoting employees: The HRD will provide feedback in the form of employee data which can be used in decision-making in promotional opportunities for the staff.

- Effective utilisation of HR: The data base will provide useful information in identifying surplus and deficiency in human resources.

The HRD Plan 2016 will provide focused and strategic guidance at all levels to enable the attraction, retention and development of staff and to assist in meeting our mission of facilitating trade in a sustainable way. The Plan would determine what has been achieved and what is still to be achieved, and to assess the success of the initiatives already implemented. The objective will be another five-year 'People Plan' that has been recalibrated based on the changes the organisation has undergone in the past five years and is projecting for the next five years.

WELFARE ACTIVITIES

There are numerous facilities, financial as well as non-financial, which are provided to the staff of the Authority for their wellbeing. During the year 2015. The MPA has continued to provide numerous welfare amenities which

included, amongst others, the provision of subsidised meals, housing loan scheme, medical scheme for the employees and their families, sponsorship to employees to follow university studies, scholarship to children of the employees, etc.

During the year under review, the MPA has also organised a series of welfare activities including a get-together for the retired staff and those employees who have attained 25 years of service, a Family Day for all employees and their families at Domaine de Gros Cailloux. These activities culminated with the organisation of an end of year lunch for staff and a port religious ceremony in December 2015.

ENHANCING ASSURANCE THROUGH A RISK PERSPECTIVE

INTEGRATING SOUND AUDITING PRACTICES IN CONTROL AND RISK MANAGEMENT SYSTEMS

The system of internal controls is supported by the Authority's commitment to competence, integrity, ethical values and communication of a control-conscious environment through established policies and guidelines. The Audit & Risk Department (ARD) which is headed by the Corporate Auditor is independent and reports functionally to the Chairman and the Audit & Risk Management Committee. Its scope of work is set out in consultation with the Chairman and the Audit & Risk Management Committee. The ARD ensures that the necessary checks and balances are in place to provide reasonable assurance that the Authority's assets are safeguarded and that the financial position and the results disclosed in the audited accounts are free from any material misstatements.

During the year under review, the ARD has reinforced the internal control systems and delved on activities of the different Departments in accordance with its pre-approved Audit & Risk Plan. The said Plan is assessed on a quarterly basis to ensure that suitable audit time and resources are devoted to reviewing the more significant areas of risk for achieving a comprehensive range of assessments to:

(i) provide an opinion on the adequacy of the control environment;
(ii) comment on the nature and extent of significant risks;
(iii) report the incidence of significant control deviations or weaknesses.

The ARD has, throughout 2015, deployed its resources mostly for compliance audits, operational audits, financial audits, reporting on internal controls, audit investigations upon Management's request, etc. The ARD has equally played an active role in the budgetary control process whereby comparison of actual financial performance against budget forecasts has been brought to the attention of the Audit and Risk Management Committee on a quarterly basis during 2015. The ARD has also engaged in advisory works and pre-audit of the financial undertakings of the Board.

Besides providing oversight and assurance on controls over systems and processes, the ARD equally supports Management in the discharge of its responsibilities by:

(i) establishing a culture of integrity;
(ii) evaluating internal controls used to detect or mitigate fraud; and
(iii) evaluating assessment of fraud risk.

Moreover, the ARD has been assisting Management in the implementation of the Public Sector Anti-Corruption Framework and in creating awareness on Conflict of Interest and Overtime Management in the organisation.

To reinforce its commitment towards encouraging a good governance culture, a Risk Management Policy based on ISO 31000 guidelines has also been devised for adoption by the Authority. By integrating risk management into daily operations, all employees will henceforth be required to be responsible and accountable for managing risk in so far as is reasonably practicable within their area of responsibility as well as manage the cost of risk within the risk appetite in strategic and operational decision making process. The main principles adopted for ensuring success in this endeavour are:

- Responsibility: Recognising that operations entail business risk and risk management is the responsibility of everyone.
- Accountability: Ensuring that there is a formalised system for identifying, evaluating, controlling and reporting risks for timely decision-making within defined responsibilities and parameters.
- Risk and Return: Ensuring the right balance between risks taken and returns expected and ascertaining that everyone within the Authority has the same understanding.
- Awareness: Creating an atmosphere of continuous learning and awareness of risks that impact on operations and achievement of objectives MPA.

The ARD has, amongst others, assessed the governance process of the MPA as recommended in the Guidelines of the National Committee on Corporate Governance (NCCG) pursuant to Section 65(c) of the Financial Reporting Act 2004 for substantiating that the MPA Board remains the focal point for Corporate Governance and is accountable for the performance and administration of the affairs of the Authority.

The ARD also ensures customary liaison with and coordination between the External Auditors whose role is to report independently on financial statements. Besides, the External Auditors have assessed the adequacy of the Internal Audit & Risk functions for 2015 upon obtaining sufficient understanding of the ARD's activities.

With the subsequent shifting of priorities from financial and compliance perspectives to a more operational focus, audit work plans and the relative coverage have been realigned to place increased attention on risk management effectiveness strategies. The purpose of the Risk Management Function has ensured that every effort is made to manage risk appropriately in accordance with the Risk Policy and the Risk Charter besides ascertaining that a dynamic Risk register is maintained in line with new challenges. The embracing of a culture of appreciation and awareness on risk management will shield the MPA from unacceptable consequences by indulging in the continuous process of identifying hazards, assessing risks, taking actions to eliminate or reduce risks and monitoring and reviewing to reach proportionality between perceived risks and expected benefits.

PORT PROJECTS

GEARING UP TO MEET THE CHALLENGES OF INFRASTRUCTURE RENEWAL AND MANAGEMENT

Extension and Strengthening of Berths

The extension and strengthening of the Mauritius Container Terminal Quay at Mer Rouge, which has reached an advanced stage of progress, comprises the following main components:

(i) Extension of the MCT quay by an additional 240m;
(ii) Expansion of the container stacking yard by about 7.5 hectares;
(iii) Strengthening of the existing 560-metre long berth;
(iv) Dredging works to deepen the navigational channel to 16.5m together with the land reclamation works at Fort George and Fort William.

The progress of the different phases of the works is as follows:

Construction of Bunds

As previously reported, the Bund Wall construction has been completed in November 2014. The bunds have been designed to contain dredged materials during the dredging activities and for land reclamation at Fort George and Fort William. Some 35 hectares of land will be reclaimed at Fort William and 4 hectares at Fort George. Furthermore, the bund wall will minimise the flow of sediments to be discharged back to the sea during the dredging works, thus acting as an environmental mitigation measure. The bunded area at Fort George is being partly reclaimed using dredged material recovered from the Marine and Civil Works package.

Marine and Civil Works

Works under this package comprise the extension of the MCT quay by 240m; strengthening of the existing 560-metre long berth and expansion of the container stacking yard by about 7.5 hectares. The contract was awarded to Messrs. Strabag/Archirodon in August 2014 for the negotiated contract price of Rs 4.13 billion. The quay extension project started in August 2014 and is expected to be completed by October 2017. In August 2015, MPA issued a variation to undertake additional dredging works in front of the extended quay which increased the project value to Rs 4.216 billion. The additional dredging works were completed by end 2015.

As at December 2015, works related to the extension of the MCT quay and expansion if the container stacking yard were in progress. The works had encountered delays due to unforeseen sea bed obstructions (ship wreck) and piles which buckled while they were being driven. The berth extension and stacking yard is expected to be completed by June 2016.

In order to procure the services of specialist as nominated subcontractor, the MPA has invited bids for shifting of the existing Rail Mounted Quay Cranes. Furthermore, given that the procurement of the capital dredging works had been delayed, a variation order to undertake additional dredging works was issued to the Contractor so as to allow ships to berth on the newly constructed facility.

Works in connection to the strengthening of the 560-metre long existing quay is progressing in stages so as to minimise impact on operations.

Dredging Works

As indicated previously there is the need to further deepen the English Channel from 14.5 to 16.5 metres below Chart Datum to ensure safe maneuvering and operations of larger and fully laden container vessels of 8000-9000 + TEUs capacity.

The deepening works require the dredging of over 1.5 million m^3 of material which in turn will be used for the reclamation of approximately 39 hectares of land at Fort William and Fort George for future port development projects.

The Authority will also avail the opportunity to use the dredger, whilst in our waters to carry out maintenance dredging works of the existing access channel along Terminal II and at the cruise jetty.

The estimated cost for the dredging works and the associated land reclamation works was estimated at Rs 1.2 billion. The works were scheduled to be undertaken over the period March to October 2015, outside the cyclonic period to prevent any disruption.

The first prequalification exercise was launched in December 2013 whereby three international firms were shortlisted. The RFP was launched in November 2014 with the closing date being March 2015. During the evaluation at the CPB, the bid prices were observed to be over 80% of the cost estimate. Accordingly, the procurement exercise was cancelled.

A second prequalification exercise was launched in July 2015. At the closing date of 9 September 2015, nine bidders had submitted their applications. Following evaluation six bidders were pre-qualified and on 7 December 2015, notification to successful and unsuccessful bidders was issued after the receipt of the no-objection from AFD. The invitations to bid will be issued in January 2016 and the bids would be received in March 2016. It is expected to complete the dredging works before end 2016.

Replacement of fenders at Terminals I and II

Fenders at the Fishing Port and Quays A and D were installed in the year 1995 and those at Quays 1, 2, 3 and 4 in 2003. It is planned to proceed for the replacement of the fenders at these Terminals as the fenders have an economic life of about 10 years. Due to the excessive stress with increasing vessel sizes, it was found that the number of damaged fenders at Terminals I and II is substantial. In this respect, it was proposed to proceed with the replacement of all the fenders at Quays 1, 2, 3, 4, A, D and the Trou Fanfaron Fishing Port.

The design of the fenders was approved on 22 July 2015 and as at December 2015, 71 cylindrical fenders for Trou Fanfaron Fishing Port had been delivered at the MPA. The supply and fixing of fenders are expected to be completed by end 2016.

CORPORATE MATTERS

Upgrading of Capitainerie Building

The construction of the Capitainerie Building which accommodates the Marine Department dates as far back as 1994. The proposed upgrading works will cater for a more modern building complying with the needs of the MPA whilst also incorporating energy efficiency measures. The consultancy services are being provided by Messrs. Atelier D'Architecture Diagonale II Ltée at the sum of Rs 4.43 million.

Bids for the upgrading works were launched in May 2015 and seven bids were received by the closing date in July 2015. The evaluation exercise was completed in December 2015 and the contract would be awarded in January 2016 to the successful bidder. The works are scheduled to start in February 2016 and will be completed in January 2017.

Cruise Terminal Building

With a view to enhancing the handling of passengers at Port Louis, it is proposed to construct a Terminal Building at the Cruise Jetty which will cater for both Cruise and Rodrigues inter island passengers. Following an expression of interest exercise for consultancy services for the design and supervision of the construction of the cruise terminal building, four shortlisted firms were invited in June 2015 to submit their consultancy proposals.

Proposals were received in July 2015 and subsequent to an evaluation exercise the contract for consultancy services was awarded in November 2015 to Messrs. Bermello Ajamil & Partners Inc. for the price of USD 563,860 and Rs 9,155,000 plus VAT.

It is expected that the Consultants would mobilised in early January 2016 for meetings with the MPA and stakeholders. It is proposed to start the construction of the Cruise Terminal in 2017 with its completion in 2018.

Port Master Plan

Under the Ports Act 1998, the MPA is required to prepare and periodically update a Port Master Plan and also implement the recommendations of the said Master Plan.

Following a prequalification exercise, nine shortlisted firms were invited in January 2015 to submit their consultancy proposals for the undertaking of a new Port Master Plan Study. Seven firms responded and submitted their proposals. Following an evaluation exercise, the contract was subsequently awarded to Messrs. Royal Haskoning DHV in August 2015.

The team of specialists from the Consultants mobilised as from September 2015 and held meetings with all relevant stakeholders, including ministries and government organisations to gather data and information relevant to the study. In the light of data gathered the Consultants have worked out traffic forecasts and made preliminary proposals for the facilities required to meet the forecasted demands and proposed options for land uses. As part of their assignment the Consultants were also required to carry out a Container Transshipment Study. The Consultants' preliminary findings were presented in their preliminary report which was submitted in December 2015. The Consultants are expected to submit the final Port Master Plan Report by mid-2016

Island Container Terminal

The fully extended berth at the Mauritius Container Terminal (MCT) following Phase II will have a capacity of about 1.3 million TEUs. In order to maintain the position of Port Louis as a transshipment port in the long term after 2025, it is planned to develop an Island Container Terminal, opposite the MCT as recommended in the Port Master Plan 2009.

The project would comprise the:

- construction of a breakwater to create a tranquil basin in front of the MCT;
- dredging of the navigation channel to 18m deep;
- land reclamation of some 60 hectares on the lee side of the Breakwater and on the reef using the dredged material;
- construction of a link bridge from the northern end of the MCT to the Island Terminal;
- quay construction over a length of about 1200m; and
- container stacking yard of an area of about 40 hectares (capacity of over 1.5 million TEUs).

An expression of interest was launched in July 2015. At the closing date of 20 August 2015, 41 international firms had submitted their interests to be prequalified for the study. The evaluation was undertaken and the report was

submitted in December 2015 to the African Development Bank (AfDB) for their no-objection. Invitation to submit proposal by shortlisted firms will be issued around mid of 2016 following clearance from AfDB and the study is expected to be completed by 2017.

MARINE SERVICES

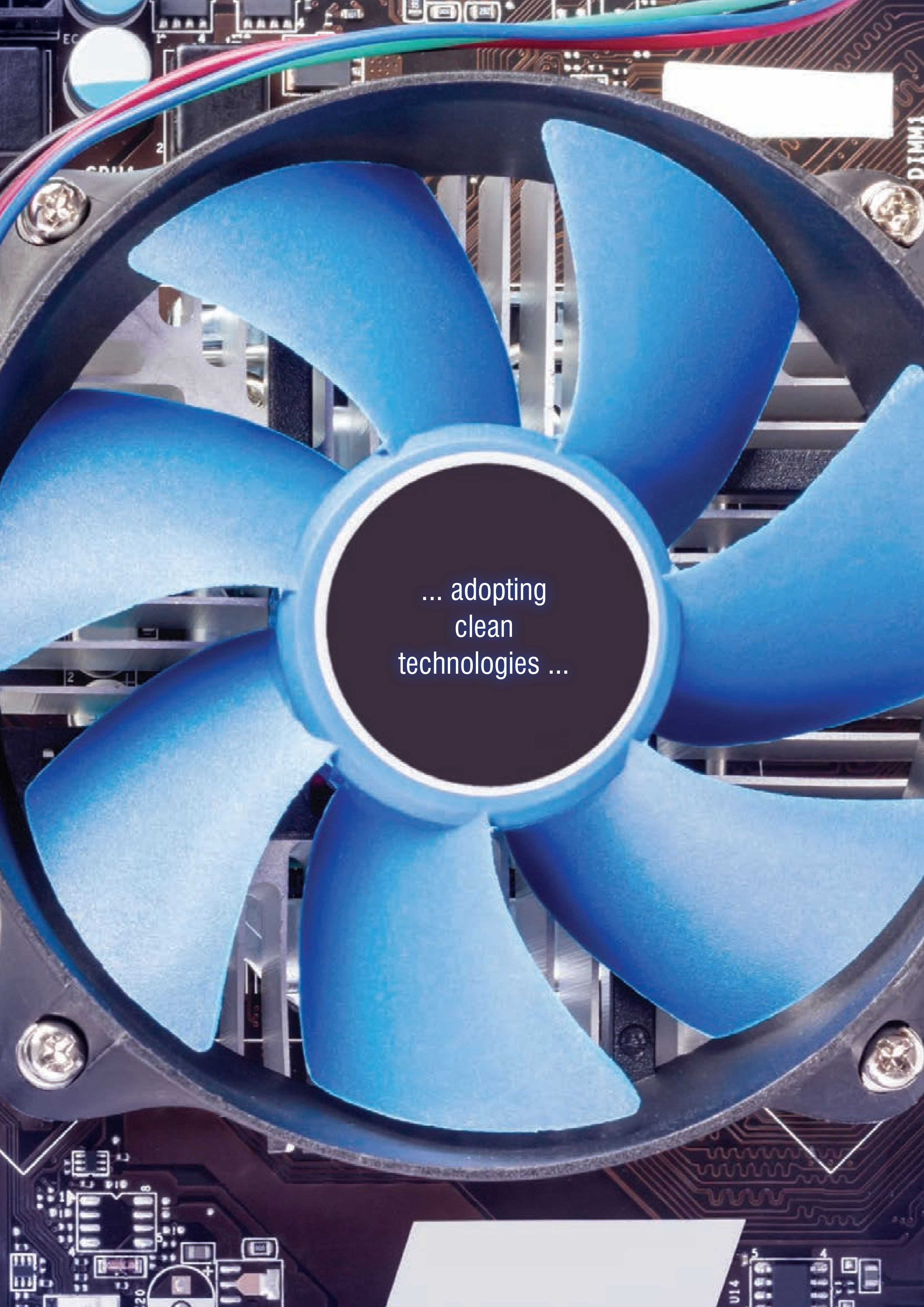
ENHANCING TUG POWER

Port Louis Harbour will be called upon to play a crucial role in transforming the macroeconomic fundamentals of the country. This development is in line with the strategic position of Mauritius in the South-South trade route and is geared up at capturing the window of opportunities resulting from enhanced vessel traffic in the Indian Ocean which has increased by 400% during the last two decades.

In order to provide faster and safer traffic flow and consequently speed up the flow of goods through ports, it is necessary to have advanced transport technology, which in addition to modern port equipment, comprise advanced sailing units. Among them are modern tugs, particularly ones with azimuth propulsion and tractor tugs. Today, these tugs represent an irreplaceable part of port infrastructure in all the world harbours and it is almost unthinkable to run the port business without utilising them. All ports are now equipped with powerful tugs in order to be more competitive for cargo handling and marine operations.

The Mauritius Ports Authority is obligated among others to take care of safety and the effectiveness of the harbour traffic. This essentially includes the towing assistance to large ships while performing their transit, turning, berthing and/or unberthing operations. Towage is an essential part of our maritime environment. It is one of the most important maritime activities as we cannot operate without tugs and the vast majority of our imports and exports would simply stop. Towage is the vital and primary guardian that provides the safety and environmental protection of Port Louis Harbour, its approaches and coastlines.

To meet the above requirements, the MPA has, in January 2015, approved the procurement of a 70-tonne bollard pull Azimuth Stern Drive Tug from Messrs. Cheoy Lee Shipyards Ltd. This new tug will add to our capabilities and tug power at Port Louis Harbour, providing additional assets to handle increased traffic through the port. Tug power is important for large ships and particularly for ships with a large windage such as container vessels, car carriers and LPG carriers, whose number and wind area increases continuously.


... adopting
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OPERATIONS REPORT

OVERVIEW

With major port development projects in progress in 2015, port trade performance has been somewhat affected by the works undertaken during the year, as witnessed by the slight drop in total volume of cargo handled in the port in terms of tonnage. Thus, we see a decrease of 0.9% in the total cargo traffic with 6.8 million tonnes in 2015 as compared to 6.9 million tonnes in 2014.

Similarly, total container traffic has registered a reduction of some 10.4% from 403,001 TEUs in 2014 to 361,109 TEUs in 2015 owing to the contraction in container transshipment volume at Port Louis. Transshipment traffic has reduced from 151,203 TEUs in 2014 to 105,225 TEUs in 2015.

The decrease of some 45,978 TEUs of transshipment has greatly overwhelmed the increase in captive container traffic of 4,086 TEUs during 2015. Total captive container traffic witnessed a growth of 1.6% from 251,798 TEUs in 2014 to 255,884 TEUs in 2015.

Likewise, total vessel traffic has registered a negative growth of some 382 calls mainly due to the reduction in calls by container vessels, fishing vessels, inter-island trade and other vessels calling for outer harbour activities. Total number of calls at Port Louis Harbour stood at 2,947 in 2015 compared to 3,329 calls in 2014.

TOTAL CARGO TRAFFIC

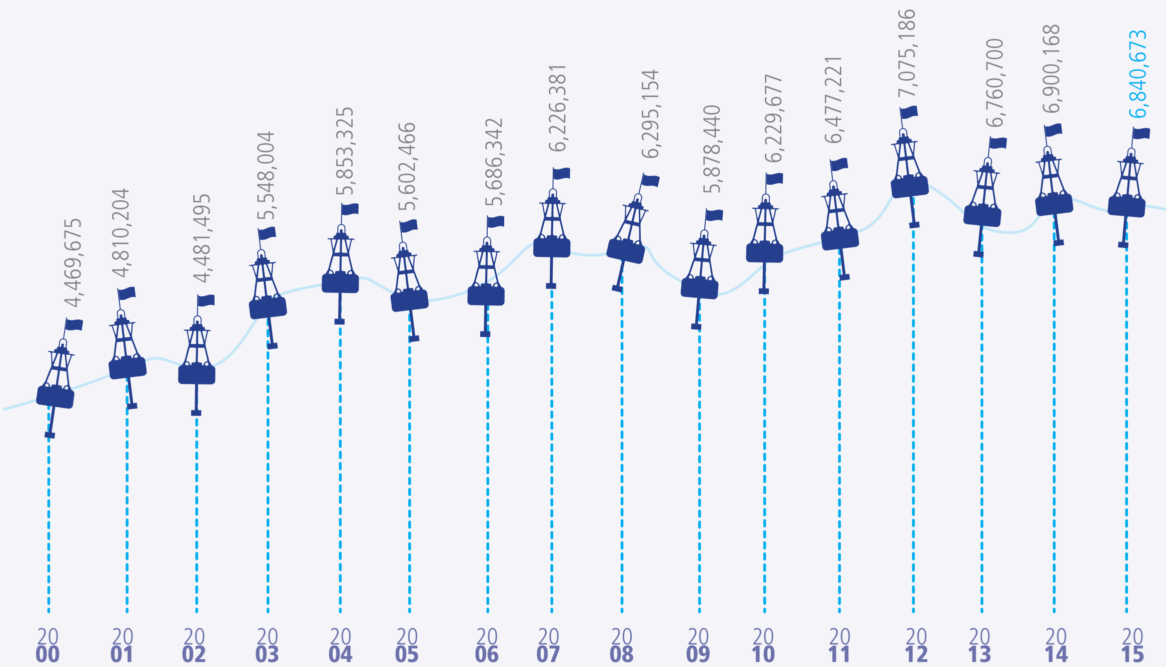
Total cargo traffic decreased from 6,900,168 tonnes in 2014 to 6,840,673 tonnes in 2015, representing a downfall of 0.9% as summarised in the table below:

TOTAL CARGO TRAFFIC 2014 V/S 2015 (TONNES)

	2014	2015	Difference	% Change
Total Imports	4,463,590	4,670,599	207,009	4.6
Total Exports	1,154,048	1,128,846	-25,202	-2.2
Total Containerised Transshipment Inwards	1,282,530	1,041,228	-241,302	-18.8
Total	**6,900,168**	**6,840,673**	**-59,495**	**-0.9**

The following depicts the evolution of total cargo traffic at Port Louis recorded for a period spanning over the last sixteen years i.e. from 2000 to 2015.

TOTAL CARGO TRAFFIC 2000-2015 (TONNES)



OPERATIONS REPORT

TOTAL IMPORTS

Total imports have increased from 4,463,590 tonnes in 2014 to 4,670,599 tonnes in 2015, representing a surge of 4.6%, i.e., an increase of 207,009 tonnes driven mainly by imports of solid and liquid bulk cargo. Imports of Solid Bulk, Liquid Bulk General Cargo and Fish have increased by 8.4%, 4.8%, 54.7% and 1.8% respectively, whilst Containerised Cargo has decreased by 0.7%. The table below illustrates the breakdown of total imports:

BREAKDOWN OF TOTAL IMPORTS 2014 V/S 2015 (TONNES)

Imports	2014	2015	Difference	% Change
Solid Bulk	1,678,249	1,818,828	140,579	8.4
Liquid Bulk	1,260,567	1,320,710	60,143	4.8
Containerised	1,360,463	1,351,165	-9,298	-0.7
General cargo	23,957	37,067	13,110	54.7
Fish	140,354	142,829	2,475	1.8
Total	**4,463,590**	**4,670,599**	**207,009**	**4.6**

SOLID / DRY BULK IMPORTS

- Solid bulk imports have witnessed a significant growth of 8.4% equivalent to 140,579 tonnes, i.e., from 1,678,249 tonnes in 2014 to 1,818,828 tonnes in 2015, as detailed in the table below:
- For the year under review, imports of wheat increased by 10.9% from 142,950 tonnes in 2014 to 158,574 tonnes in 2015.
- Similarly, coal imports witnessed an expansion of 5.3% from 724,753 tonnes to a new record level of 762,953 tonnes in 2015 due to the increasing demand for electricity in the country.
- Imports of cement registered a growth of 2.8% from 607,902 tonnes to 625,205 tonnes in 2015.
- There was a new peak achieved in the import level of maize in 2015 by some 40,533 tonnes, equivalent to some 43.8%. In 2014, imports of maize stood at 92,468 tonnes as compared to 133,001 tonnes in 2015.
- In the same context, imports of soya bean meal attained a new record too with an expansion of 19,279 tonnes during the year under review (from 43,266 tonnes in 2014 to 62,545 tonnes in 2015). In fact, the demand for livestock feed has increased considerably, and these two items are used intensively in the production of same.
- With the reduction in the cultivation of sugar cane and the refined Mauritian sugar being exported, we have witnessed an increase in the imports of sugar during 2015 by some 18,899 tonnes (36.2%). In 2014, some 52,151 tonnes of sugar were imported compared to 71,050 tonnes for the year under review.
- However there has been a decrease of 59.0% in the import of fertilizer during the year 2015 with some 5,500 tonnes in comparison with 13,420 tonnes in 2014.
- There were no imports of aggregates during 2015.

LIQUID BULK IMPORTS

Total imports of liquid bulk increased by 4.8%, representing 60,143 tonnes, i.e. from 1,260,567 tonnes in 2014 to 1,320,710 tonnes in 2015. The figures for the various components of this traffic are as follows:

- For the year under review, imports of Edible Oil increased by 8.3% from 18,000 tonnes to 19,500 tonnes.
- On the other hand, imports of Bitumen have dropped from 6,828 tonnes in 2014 to 4,247 tonnes in 2015, i.e. by 37.8% as a result of the completion of major road development projects in 2014.
- Imports of White oil and Black oil have increased by 5.3% (from 713,414 in 2014 to 751,301 tonnes in 2015) and 2.5% (from 435,720 tonnes in 2014 to 446,799 tonnes in 2015) respectively, both cargo registering new peaks in their imports levels.
- With Petredec Mauritius fully functional in 2015, import of LPG has registered a significant growth of 14.2% from 86,605 tonnes in 2014 to reach a new record high of some 98,863 tonnes in 2015.

CONTAINERISED CARGO IMPORTS

Total containerised imports decreased by 0.7%, equivalent to 9,298 tonnes, from 1,360,463 in 2014 to 1,351,165 in 2015. The breakdown of this traffic is shown below:

OPERATIONS REPORT

- Total Captive Containerised Imports dropped by 0.7% (9,249 tonnes) from 1,352,150 tonnes to 1,342,901 tonnes.
- Inter-island imports in containers fell by 0.6% (49 tonnes) from 8,313 tonnes to 8,264 tonnes.

GENERAL CARGO IMPORTS

The total general cargo imports witnessed an increase of 54.7% (13,110 tonnes) from 2014 to 2015. The breakdown of this traffic shows that unitized break bulk increased by 59.2% (13,483 tonnes) whilst inter-island general cargo imports have contracted by 31.8% (373 tonnes).

FISH TRAFFIC IMPORTS

Total fish imports posted an increase of 1.8%, with 142,829 tonnes in 2015 as compared to 140,354 tonnes in 2014. In regards to the total number of fishing vessels calling at Port Louis, same has dropped to 936 in 2015 from 1,047 for the corresponding period in the previous year.

- Imports of Tuna by Princes Tuna grew significantly by 45.7% from 53,256 tonnes in 2014 to reach 77,602 tonnes in 2015 whilst imports of Tuna by Thon des Mascareignes decreased considerably by 56.5% (12,961 tonnes) for the period under review.
- Consolidated imports of Tuna expanded by 11,385 tonnes (growth of 14.9%) from 76,190 tonnes in 2014 to 87,575 tonnes during the year under consideration.
- Fish handled for the local market decreased by 492 tonnes (representing 24.1%) from 2,043 tonnes in 2014 to 1,551 tonnes in 2015.
- Similarly, fish transshipment at Port Louis contracted by 14.8% (8.368 tonnes) from 59,065 tonnes in 2014 to stand at 50,697 tonnes in 2015.
- In the same way, direct transshipment of fish from ship to ship contracted by 1.6% (50 tonnes) from 3,056 tonnes in 2014 to 3,006 tonnes in 2015.

TOTAL EXPORTS

Total exports decreased by 2.2%, with 1,128,846 tonnes in 2015 as compared to 1,154,048 tonnes in 2014. Exports of Containerised Cargo, General Cargo and Fish have all dropped by 1.1%, 19.1% and 1.6% respectively for the year under review. On the other hand, exports of Liquid Bulk have increased by 3.6% as shown below:

BREAKDOWN OF TOTAL BULK EXPORTS 2014 V/S 2015 (TONNES)

Exports	2014	2015	Difference	% Change
Solid Bulk	27,989	-	-27,989	-100
Liquid Bulk	348,871	361,375	12,504	3.6
Containerised	768,866	760,203	-8,663	-1.1
General cargo	5,266	4,262	-1,004	-19.1
Fish	3,056	3,006	-50	-1.6
Total	**1,154,048**	**1,128,846**	**-25,202**	**-2.2**

SOLID BULK EXPORTS

There has been no export of aggregates in 2015 compared to 27,989 tonnes exported one year earlier.

OPERATIONS REPORT

LIQUID BULK EXPORTS

Exports of liquid bulk cargo registered an increase of 3.6% from 348,871 tonnes in 2014 to 361,375 tonnes in 2015, equivalent to 12,504 tonnes.

- Exports of molasses were 45,564 tonnes in 2014. As regards the year under review, some 36,106 tonnes of molasses have been exported, thus showing a decrease of 20.8% as more and more ethanol is being produced for export.
- Messrs. Petredec (Mauritius) Ltd exported some 29,942 tonnes of LPG in the region during the year under review as opposed to 4,961 tonnes in 2014.
- Around 6,781 tonnes of Ethanol were exported in 2014 whilst 11,043 of same have been exported during the year 2015.
- Bunker exports, accounting for the bulk in this segment, have registered a negative growth of 2.5%, equivalent to some 7,281 tonnes.

BUNKERING ACTIVITIES

There was a prolonged shut down of refineries in South Africa in 2014, which meant that Mauritius benefited from more bunkering opportunities than expected. The situation became normal during 2015 whereby total volume of bunker exports contracted by 2.5% as compared to last year.

The decrease in bunkering was also partly due to the decreasing world market prices in addition to Durban and Singapore, being more competitive than Port Louis.

- Exports of bunker by pipeline decreased by 7.1% from 150,565 tonnes in 2014 to 139,873 tonnes in 2015, equivalent to 10,692 tonnes
- On the other hand, exports of bunker by barge increased by 3,411 tonnes (2.4%) from 141,000 tonnes in 2014 to 144,411 tonnes in 2015.
- In regards to the number of vessels that took bunker at Port Louis, same has decreased from 1,973 calls in 2014 to 1,770 calls in 2015, i.e., a drop of 10.3%.
- The total number of bunker calls by pipeline and barges decreased by 5.5% and 23.4% respectively for the year under review in comparison to the previous year.

CONTAINERISED CARGO EXPORTS

Total containerised cargo exports have decreased by 1.1%. The breakdown of this traffic reveals that captive containerised exports have decreased by 1.7% whereas inter-island containerised exports increased by 6.8% as shown hereunder:

CONTAINERISED CARGO EXPORTS – 2014 V/S 2015 (TONNES)

Exports	2014	2015	Difference	% Change
Captive	716,551	704,340	-12,211	-1.7
Inter-Island	52,315	55,863	3,548	6.8
Total	**768,866**	**760,203**	**-8,663**	**-1.1**

GENERAL CARGO EXPORTS

The total general cargo exports have witnessed a negative growth of 19.1% (1,004 tonnes) from 2014 to 2015.

The breakdown of this traffic shows that unitised break bulk recorded a negative growth of 32.4% (527 tonnes) and inter-island general cargo exports also registered a drop of 13.1% (477 tonnes).

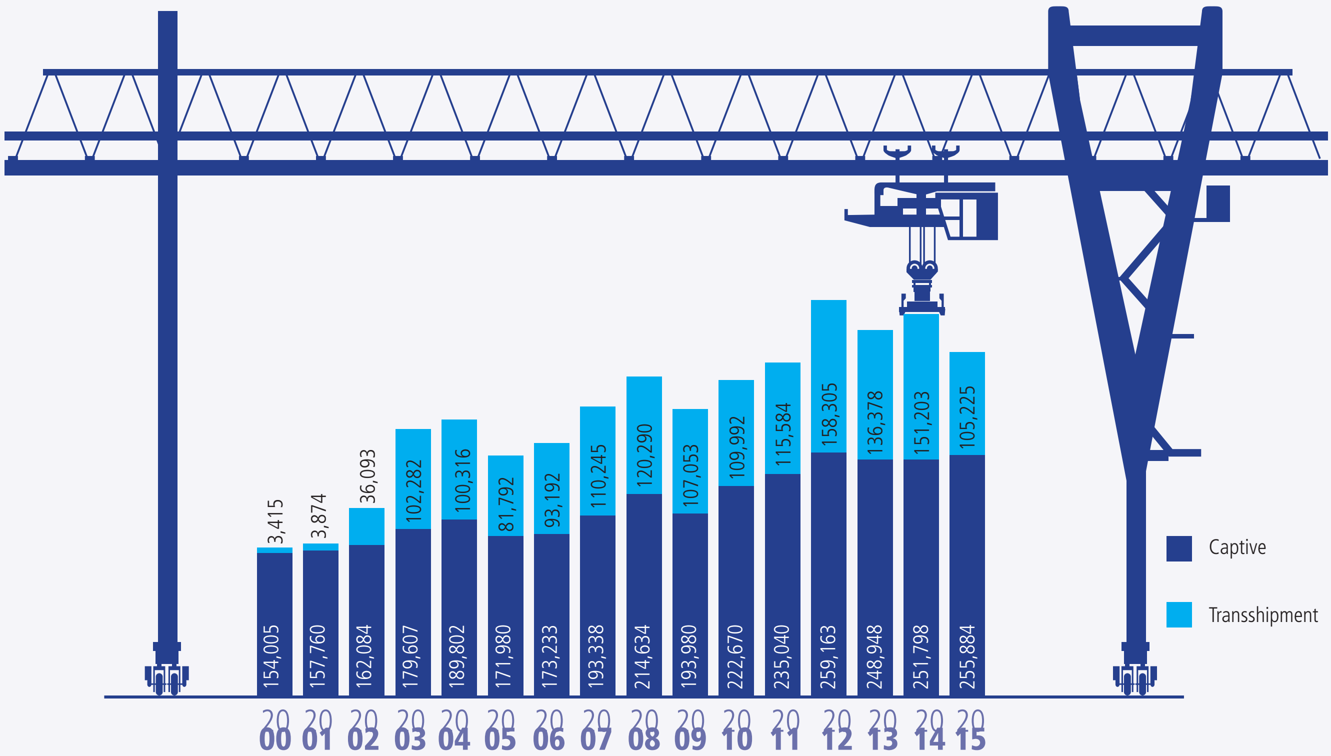
FISH TRAFFIC EXPORTS

For the year 2015, direct transshipment outwards of fish stood at 3,006 tonnes as opposed to 3,056 tonnes in 2014 (50 tonnes), representing a decrease of 1.6%.

TOTAL CONTAINER TRAFFIC

Total container traffic has decreased from 403,001 TEUs for the year 2014 to 361,109 TEUs in 2015, i.e., a drop of 10.4%. Captive container traffic increased by 1.6% (4,086 TEUs) whilst transshipment container traffic registered a negative growth of 30.4% (45,978 TEUs).

TOTAL CONTAINER TRAFFIC 2000 TO 2015



TOTAL CAPTIVE CONTAINER TRAFFIC

Total captive container traffic recorded a growth of 1.6%, equivalent to 4,086 TEUs with 255,884 TEUs for the year 2015 as compared to 251,798 TEUs for 2014.

LADEN IMPORT

Import of laden captive containers stood at 108,093 TEUs for the year 2015 as compared to 108,837 TEUs for the previous year, i.e., representing a drop of 0.7%, equivalent to 744 TEUs.

LADEN EXPORT

Export of captive laden containers declined by 1.1% (693 TEUs) from 61,509 TEUs in 2014 to 60,816 TEUs in 2015.

EMPTY IMPORT

Import of captive empty containers there was a minor increase by 0.4% (representing a rise of 63 TEUs) with 17,628 TEUs in 2015 versus 17,565 TEUs in 2014.

EMPTY EXPORT

Export of captive empty containers registered a growth of 8.6% or 5,460 TEUs and reached 69,347 TEUs in 2015 as compared to 63,887 TEUs in 2014.

OPERATIONS REPORT

TOTAL TRANSSHIPMENT CONTAINER TRAFFIC

Total transshipment (inwards) container traffic decreased by 30.4%, equivalent to 45,978 TEUs for the year under review with a total of 105,225 TEUs in 2015 as compared to 151,203 TEUs same year in 2014.

It should be noted that with the CHCL crane refurbishment project, only 4 STS gantry cranes were in operation for almost one year from September 2014 to August 2015.

With a view to accommodating all vessels plying on different services of the various shipping lines at MCT, the MPA imposed a reduction in move counts during the project. As a result, a minimum decrease of some 3,000 moves every month had been expected, particularly in the transshipment segment.

Transshipment (both laden and empty) traffic for the year as compared to the previous one shows that:

Laden Transshipment Container Traffic

- For 2015, some laden 84,584 TEUs have been transhipped compared to 104,186 TEUs for the previous year, representing a decrease of 19,602 TEUs (18.8%).

Empty Transshipment Container Traffic

- When it comes to cuts in move count, the normal practice would be to reduce the transshipment of empties first. Thus, we see that transshipment inwards empty container traffic has posted a contraction of 56.1% for the year under review. It reached 20,641 TEUs in 2015 as opposed to 47,017 TEUs in 2014.

OPERATIONS REPORT

MAURITIUS CONTAINER TERMINAL (MCT)

Some 568 container vessels were operated at the MCT for the year 2015 as compared to 534 container vessels one year earlier. In January 2015, there was a total downtime of 12 days at MCT with the prevalence of tropical depressions in Mauritius. As a result, vessel calls at MCT decreased by 20 calls. Similarly in March 2015, with approximately 3.5 days of downtime, there were 6 calls lesser compared to March 2014.

CONTAINER THROUGHPUT AT MCT

During 2015, the number of containers handled was 333,258 units as compared to 400,056 units for the corresponding period in the previous year–a decrease of 66,798 units (representing a drop of 16.7%).

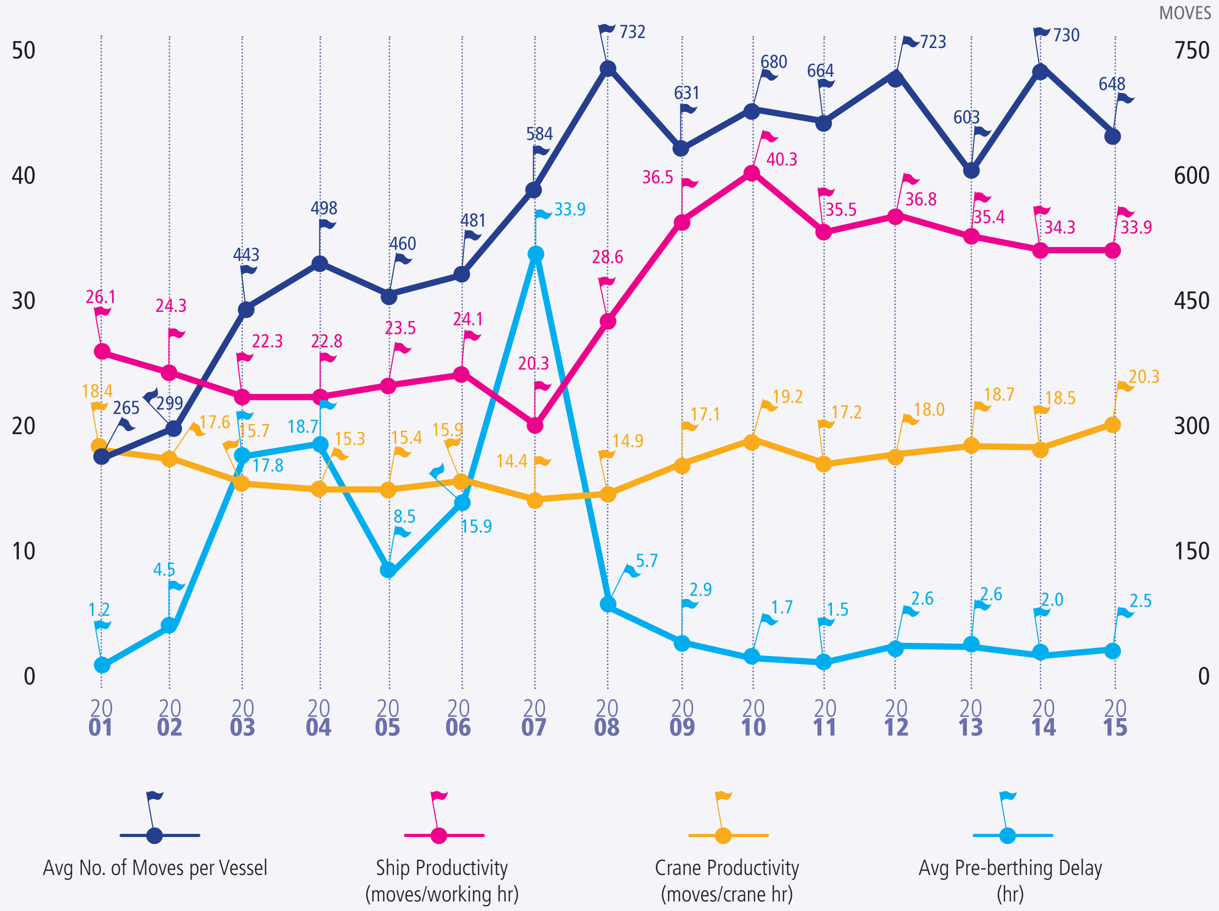
Similarly, the container throughput in terms of number of TEUs had also registered a contraction to the tune of 17.1%, equivalent to a decrease of 90,270 TEUs, from 529,018 TEUs in Jan/Feb 2014 to 438,748 TEUs for the year under review.

OPERATIONS REPORT

Accordingly, the number of container moves recorded for the year 2015 was 346,009 as compared to 415,558 in the preceding year – a drop of 69,549 (16.7%).

KEY PERFORMANCE INDICATORS (KPIs) AT MCT

The below depicts the evolution of the main Key Performance Indicators at MCT for the last 16 years i.e. 2000-2015



(I) CRANE PRODUCTIVITY

For the year under review, the highest performance was registered in the month of July with 22.8 moves/gross crane hour. The lowest gross crane productivity registered was in the month of January with 17.0 moves/gross crane hour, greatly affected by the adverse climatic conditions.

(II) SHIP PRODUCTIVITY

The average number of moves per ship working hour decreased from 34.3 in 2014 to 33.9 in 2015, with a peak of 41.4 moves in November and a low in January with 27.8 moves.

(III) PRE-BERTHING DELAYS

The average pre-berthing/sailing delay increased from 2 hours in 2014 to 2.5 hours in 2015.

(IV) BERTH OCCUPANCY AT MCT

Berth occupancy in Jan 2015 has been particularly low as there were 20 lesser calls at MCT owing to the adverse climatic conditions with the prevalence of tropical depressions. As a result, there was a surge of vessel traffic at MCT in February 2015 following the resumption of handling activities after the bad weather conditions. Berth occupancy reached 87.9% in that particular month.

(V) MULTI PURPOSE TERMINAL (MPT)

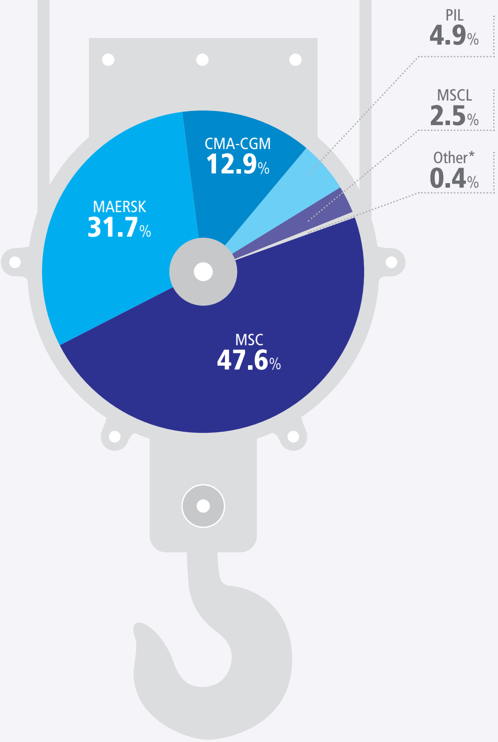
Container Traffic & Throughput at the Multi Purpose Terminal (MPT)

During 2015, 35 container vessel calls have been registered at the MPT and some 12,473 TEUs were handled in comparison with 38 containerised vessels and 11,728 TEUs respectively in 2014. In 2015, the average productivity stood at 5.6 moves/gross gang hour as compared to 4.9 in 2014.

The breakdown of the total container traffic by shipping lines reveals the following:

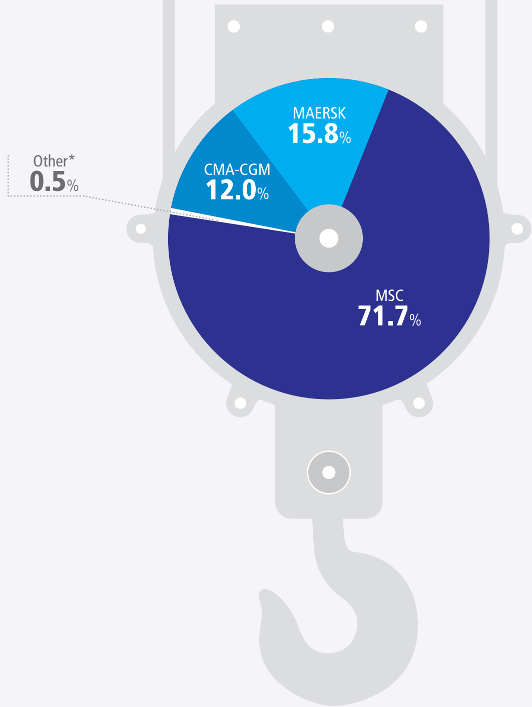
- MSC's share has decreased from 49% to 47.6%. Its share of total container traffic has also dropped by 13.3%.
- Maersk share has increased from 30.7% (CY2014) to 31.7% (CY2015). However, its volume went down by 7.5%.
- CMA CGM's share in total container traffic has increased from 10.5% in CY2014 to 12.9% in CY2015. Its volume also increased by 9.9%.

TOTAL CONTAINER TRAFFIC (CAPTIVE+TRANSSHIPMENT) BY SHIPPING LINES 2015



*Others include UAFL, DAL and others

TOTAL TRANSSHIPMENT CONTAINER TRAFFIC (LADEN+EMPTY) BY SHIPPING LINES 2015

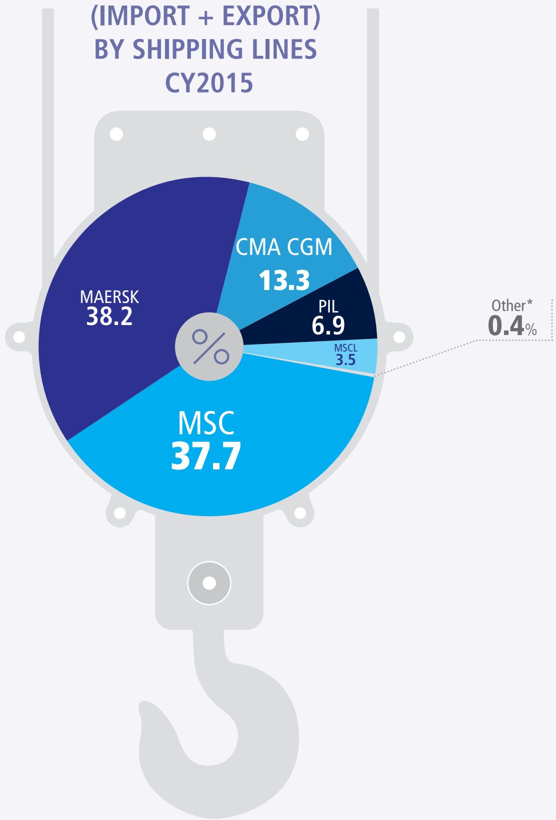


*Others include PIL, MSCL, UAFL and DAL

10.1 NON-CURRENT RECEIVABLES

Shipping line	CY2014	CY2015	Difference
MSC	85,281	96,359	11,078
Maersk	94,959	97,794	2,835
CMA CGM	32,238	34,023	1,785
PIL	15,107	17,647	2,540
Mitsui	9,871	0	-9,871
Mauritius Shipping Corporation Ltd.	9,465	9.043	-422
Others*	4,877	1,018	-3,197
Total	251,798	255,884	4,086

TOTAL CAPTIVE CONTAINER TRAFFIC (IMPORT + EXPORT) BY SHIPPING LINES CY2015



*Others include PIL, MSCL, UAFL and DAL

Total captive container traffic increased slightly by 1.6% from 251,798 TEUs in CY2014 to 255,884 TEUs in CY2015.

Maersk has the biggest share of this traffic, followed by MSC, CMA CGM, PIL and Mauritius Shipping Corporation Ltd respectively.

OPERATIONS REPORT

Total transshipment container traffic has decreased by 30.4% for the year under review.

- MSC has recorded a negative growth of 32.8% from 112,245 in 2014 to 75,426 TEUs in 2015.
- Similarly, Maersk transshipment traffic has dropped by 42.2% from 28,652 TEUs in 2014 to 16,613 TEUs in 2015.
- On the other hand, the transshipment traffic of CMA CGM has increased by 23.8% from 10,231 TEUs in 2014 to 12,668 TEUs in 2015

MARKET SHARE BY MAJOR SHIPPING LINES

In 2015, the local market was shared as follows:

- Total container traffic: MSC held 47.6% of the market share as opposed to 31.7% for Maersk.
- Total captive container traffic: MSC held 37.7% whereas Maersk held 38.2%.
- Total transshipment container traffic: MSC held the biggest share in the transshipment activities, i.e. 71.7% whereas Maersk had 15.8% of the market share.

COASTLINE TRADE

M.V. Mauritius Trochetia, plying between the dependencies of Mauritius (Rodrigues and Agalega), has made 31 calls and handled some 4,226 TEUs during the year 2015.

The Mauritius Shipping Corporation Ltd has chartered the M.V. Anna to ply between Port Louis and Port Mathurin during the year as the vessel Mauritius Trochetia was being repaired in Singapore.

The M.V. Mauritius Trochetia was back in service as from 7 July 2015. Accordingly, the M.V. Anna has effected 19 voyages so far and handled some 4,830 TEUs.

The above two vessels have made a total of 50 calls, and some 9,056 TEUs were handled during the year under review.

VESSEL TRAFFIC

Some 2,947 vessel calls were registered during the year 2015 as compared to 3,329 calls in 2014, i.e. a drop of 382 calls.

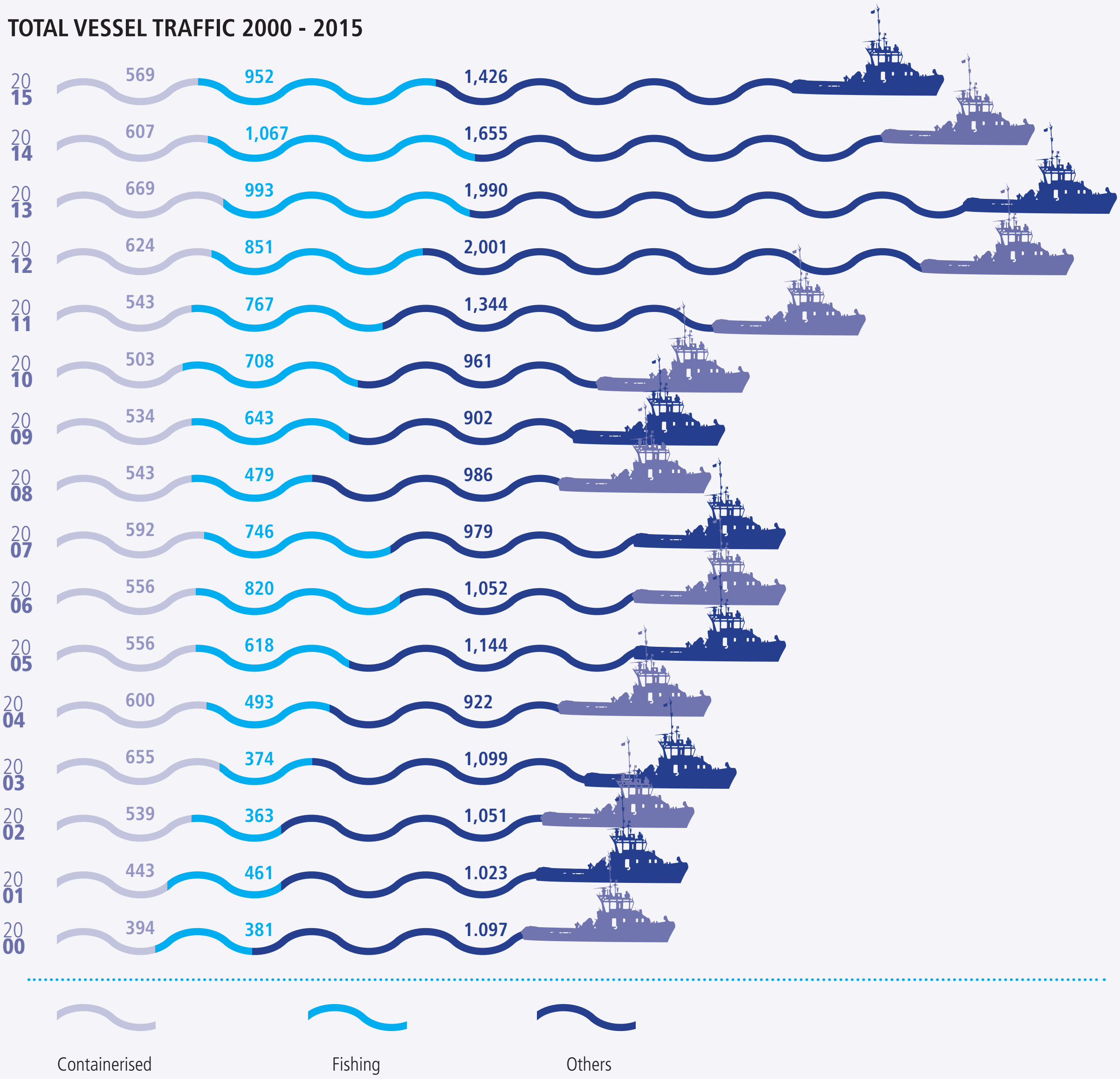
A breakdown by categories of vessels' calls for the period under review shows that:

- Containerised vessel calls stood at 568 in 2015 as opposed to 607 calls in 2014 (a shortfall of 39 calls). This shortfall has been caused by several factors as follows:
  - (i) Bad weather conditions in Jan 2015.
  - (ii) Mitsui stopped calling at Port Louis as from January 2015 with a view to optimising its activities in the Indian Ocean.
  - (iii) The crane refurbishment exercise of the CHCL from August 2014 to September 2015.
  - (iv) Ongoing MCT berth extension projects.

- Number of calls by tankers increased from 61 in 2014 to 78 in 2015 (an increase of 17 with Petredec Mauritius Ltd importing and exporting LPG in the region).
- Number of calls made by dry bulk carriers was 52 in 2015 as opposed to 58 last year.
- Fishing vessels calls declined from 1,067 in 2014 to 953 in 2015.
- With only one national carrier into operations for the inter-island trade in the beginning of the year, the total number of calls decreased drastically from 69 in 2014 to 50 in 2015.

OPERATIONS REPORT

The evolution of total vessel traffic for the last sixteen years is illustrated below:

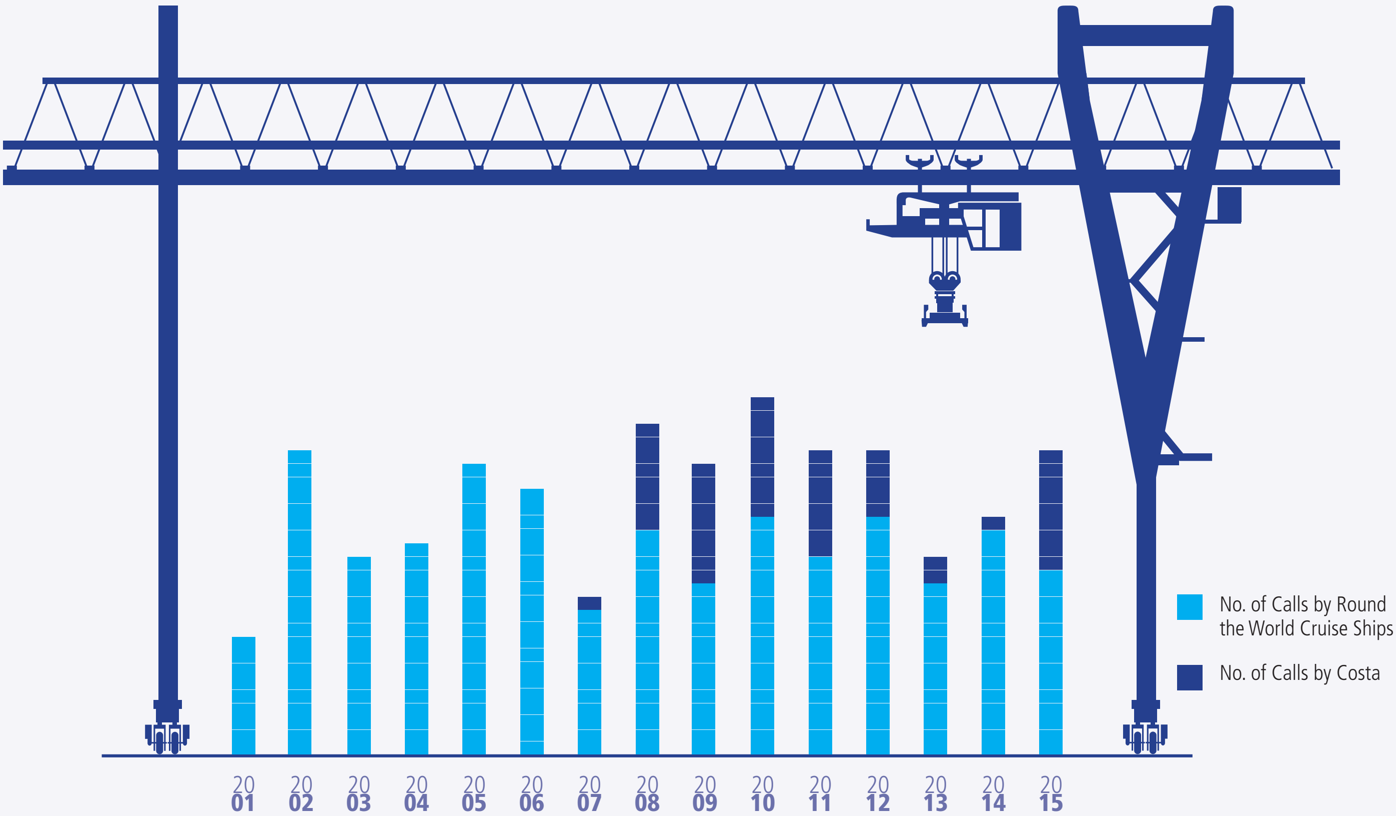


CRUISE TOURISM

Cruise vessel traffic for the year 2015 reached 23 calls as opposed to 18 in 2014 (an increase of 5). Costa cruises have also resumed home porting activities at Port Louis with 9 calls in 2015. Similarly, cruise passengers arrival increased from 15,691 in 2014 to reach 23,375 passengers in 2015.

OPERATIONS REPORT

EVOLUTION OF CRUISE VESSEL CALLS



DOWNTIME AT PORT

During the year under review, handling operations were disrupted at the port for about 16 days due to heavy swells and adverse climatic conditions like strong wind, heavy rain, cyclone Bansi, as compared to 10 days in 2014 (cyclones Bejiza and Edilson, swells and heavy rain).

There were no port operations from 9-15 January 2015 (seven days) owing to cyclone Bansi and eventually from 18-22 January 2015 (five days) due to heavy swells after passage of the cyclone and also from 10 to 13 March 2015 (three days) owing to swells at MCT.

OTHER OPERATIONAL CONSTRAINTS

The downtime at the Port has resulted in the suspension of the Fixed Berthing Window Scheme temporarily until the backlog of vessels was cleared and the situation returned back to normal.

Additionally, with the mobilisation of the MPA Contractors of the MCT Berth Extension Project in November/December 2014, available space at MCT had been greatly reduced. This had impacted on the stacking ability and capacity of the MCT by around 37%. The yard occupancy thereat reached 98% in certain instances.

Following the completion of the refurbishment of crane 103 in December 2014 and the testing of same in January 2015, long breakdowns of this crane were encountered during the months of January and February 2015.

Refurbishment of crane 101 started as from 17 January 2015 and was completed on 13 June 2015. As regards crane 102, refurbishment works started on 15 June 2015 and only four cranes were operational till the completion of the refurbishment exercise around end of August 2015.

On the other hand, crane encountered a major mechanical breakdown on 27 May 2015 and was out of service up to 8 June 2015 (2 weeks) due to delays in the manufacturing of the catenary trolley parts of the crane. The crane was back in service as from 9 June 2015.

All the above operational constraints have negatively impacted on performance at MCT and thus resulted in poor housekeeping, low productivity, bunching of vessels and delays in the evacuation of transshipment and repositioning of empty containers. Some vessels have even skipped Port Louis in order to maintain their schedule integrity at other ports of call.


... in the tint of passion ...

FINANCIAL REPORT

The Authority has achieved an exceptional financial performance with a net surplus of Rs 823.1 million for the year ending 31 December 2015. The Operating Surplus which has reached Rs 539.4 million, registered an increase of 6% compared over last year's figure of Rs 508.2 million, despite some lower operational performances as compared to last year.

The growth in financial performance has been mainly due to the appreciation of the USD against the MUR during the year.

The total cargo traffic has contracted by some 0.9% from 6.9 million tonnes in FY 2014 to 6.8 million tonnes in FY 2015. On the container traffic side, a decrease of 10.4% has been registered from 403,001 TEUs in FY 2014 to 361,109 TEUs in FY 2015. However, the decrease in container traffic has been mainly on the container transshipment side, whereby shipping lines were requested to reduce their transshipment container activities due to works on the Upgrading and Extension of Berths at the Mauritius Container Terminal, and hence, a reduction in capacity handling.

On the expenditure side, the Authority incurred operating expenses to the tune of Rs 983.1 million in the FY 2015 as compared to Rs 929.1 million in the FY 2014.

Despite the above adverse factors, yet the Authority made a record figure this year in terms of its net surplus.

The major financial performance indicators as per the audited financial statements for the FY 2015 and FY 2014 have been given in the table below:

ITEMS	FY 2015 Rs'M	FY 2014 Rs'M
Operating Revenue	1,230	1,135.9
Other Income	127.5	134.7
Total Revenue	**1,357.5**	**1,270.6**
Operating Expenses	(983.1)	(929.0)
Finance Income	165.1	166.6
Operating Surplus	**539.5**	**508.2**
Foreign Exchange Gain/(Loss)	332.7	100.2
Exceptional item	(49.1)	-
Net Surplus	**823.1**	**608.4**

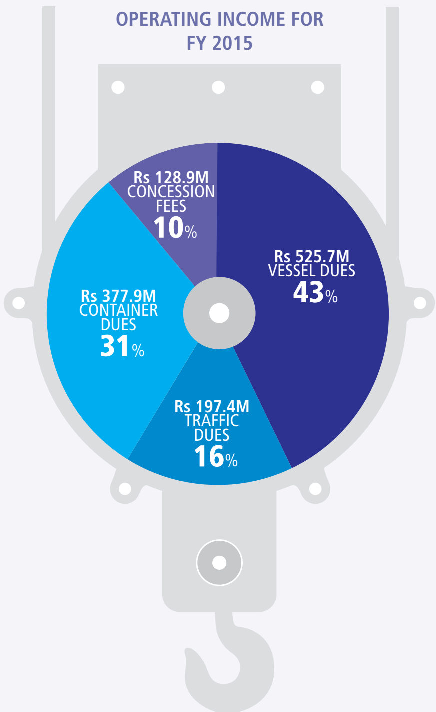
The financial and operational performance indicators for the financial years 2015 and 2014 are shown hereunder:

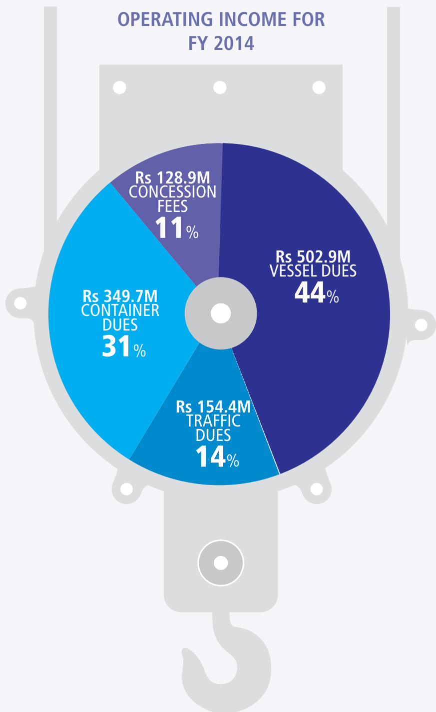
ITEMS	FY 2015	FY 2014
Profitability ratios		
Net Surplus Margin	**60.6%**	**47.7%**
Solvency ratios		
Gearing ratio	0.072	0.029
Liquidity ratio		
Current ratio	6.68	6.03
Operational figures		
Cargo traffic (million Tonnes)	6.8	6.9
Captive Container Traffic (TEUs)	255,884	251,798
Container Transshipment Traffic (TEUs)	105,225	151,203

OPERATING REVENUE

The Operating Revenue reported for the year 2015 has been to the order of Rs 1.23 billion as compared to Rs 1.13 billion for the year 2014. The increase of 8% in operating revenue has been achieved due to the appreciation of the USD vis-à-vis the MUR during the year 2015.

The illustration below indicates the different components of the operating income for the financial years 2014 and 2015.



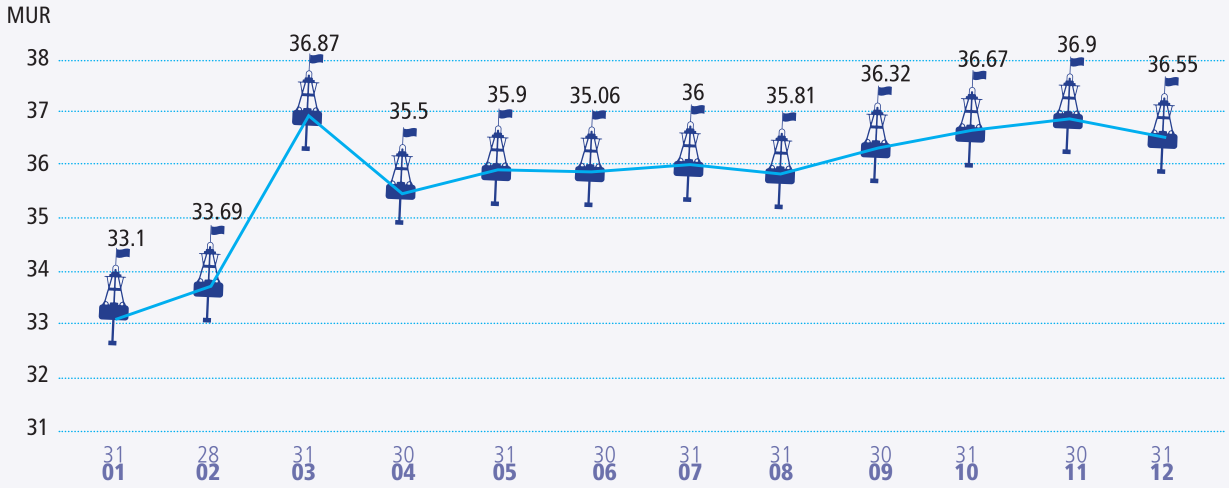


FINANCIAL REPORT

As mentioned earlier, the USD has appreciated during the FY 2015 vis a vis the MUR and has resulted in a foreign exchange gain of Rs 332.7 million.

The graph below illustrates the movement of MUR vis-à-vis the USD during the FY 2015.

EXCHANGE RATE OF MUR VS USD

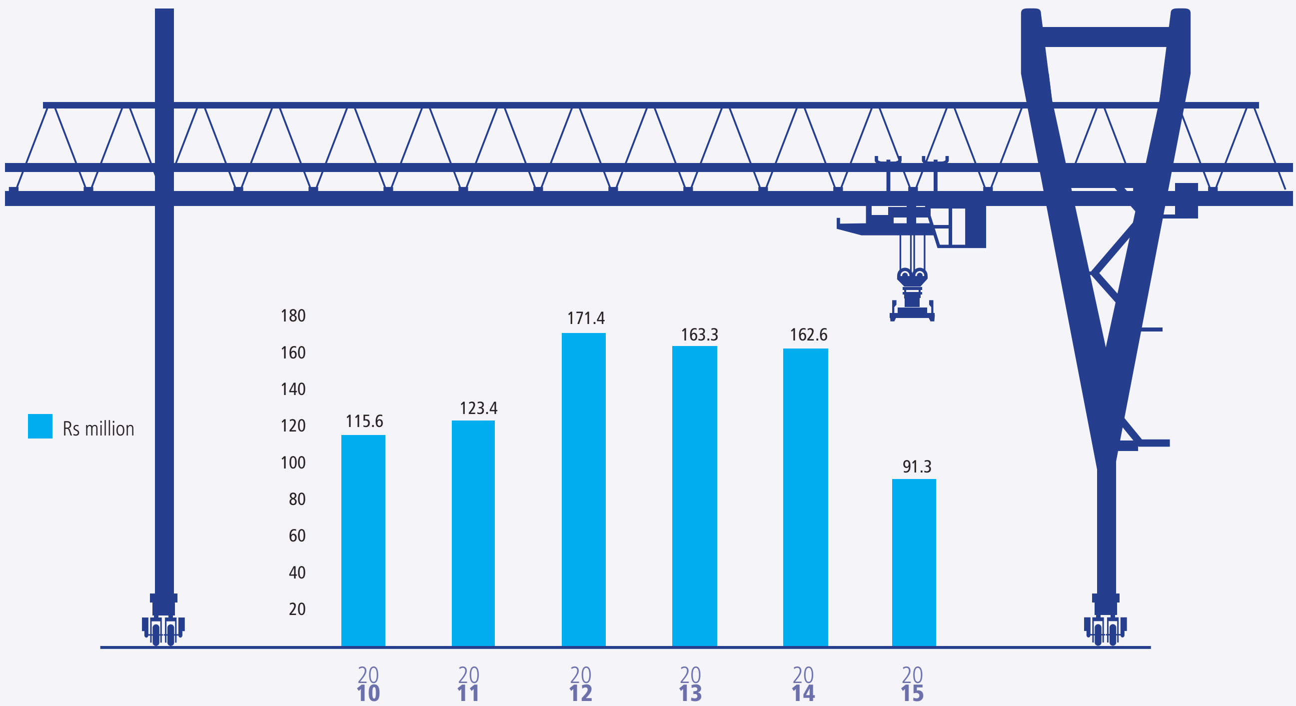


END OF MONTH DATES 2015

Revenue received from the container business segment has been to the order of Rs 651.3 million out of which Rs 91.3 million pertained to revenue generated from transshipment activities.

The graph below shows the trend in revenue derived from the container transshipment activities at Port Louis from the FY 2010 to FY 2015.

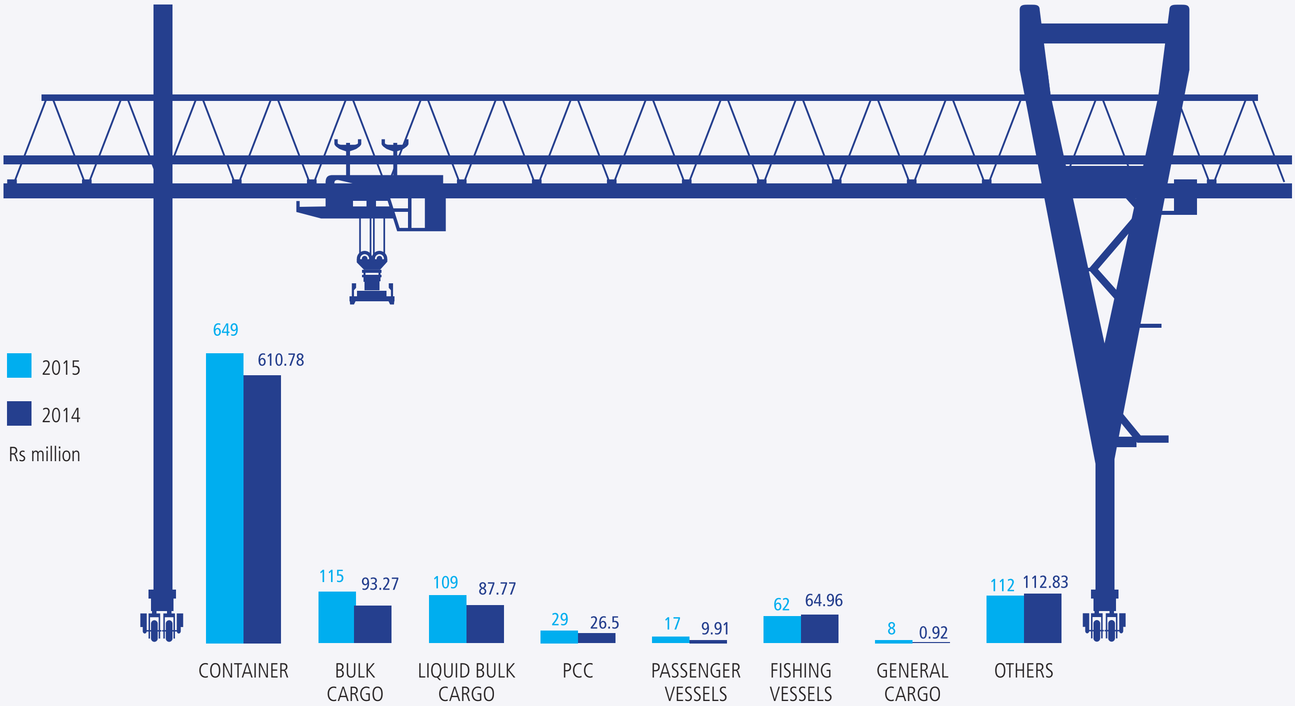
REVENUE FROM CONTAINER & TRANSSHIPMENT ACTIVITIES



FINANCIAL REPORT

The chart below shows composition of total revenue generated from the handling of different types of cargo traffic during the FY 2015 with corresponding figures for the FY 2014.

REVENUE BY TYPE OF CARGO



Concession Fees

The concession fees received from the Cargo Handling Corporation Ltd has been to the order of Rs 128.9 million and is same as previous years.

Non-operating Income

The Authority received non-operating income amounting to Rs 292.6 million which includes Investment Income, Finance Income, Rental Income and other Non-operating Income. The major composition of other Non-operating Income includes Finance and Rental income amounting to Rs 165.1 million and Rs 102.2 million respectively.

The finance income comprises mainly of interest receivable on the Authority's investment in fixed deposit accounts and interest receivable on loans to CHCL.

Operating Expenses

The Authority incurred Operating Expenses amounting to Rs 983.1 million for the FY 2015 as compared to Rs 929.1 million for the FY 2014. The increase in costs has been due to payment of salary compensation and increments to MPA staff.

Operating Surplus

MPA achieved an operating surplus of Rs 539.4 million for the FY 2015 after accounting for the above items which is more favourable than that of last year whereby the operating surplus was Rs 508.2 million.

Foreign Exchange Difference

In accordance with IAS 21 – Effects of Changes in Foreign Exchange Rates, the Authority's liabilities and reserves in foreign currencies are restated at the closing rate.

Due to appreciation of the USD vis-à-vis the MUR during the FY 2015, an exchange gain of Rs 332.7 million has been realised.

Net Surplus

The Authority has realised a net surplus of Rs 823.1 million for year 2015, which is a record figure.

CAPITAL EXPENDITURE

The Authority has incurred a capital expenditure amounting to Rs 1.8 billion during the FY 2015 which spent mainly on:

- Extension and strengthening of berths at the MCT
- Procurement of one big tug
- Supply and commissioning of one pilot boat
- Erection of new security fencing at Port Mathurin
- Fendering system at Terminal I & II.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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of Mauritius Ports Authority (the "*Authority*"), as a body, in accordance with the Statutory Bodies (Accounts and Audit) Act. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Mauritius Ports Authority on pages 59 to 102 which comprise the statement of financial position at December 31, 2015, the statement of profit or loss and other comprehensive income, statement of changes in funds and reserves and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Statutory Bodies (Accounts and Audit) Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgement, 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 auditors consider internal control relevant to the Authority'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 Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 59 to 102 give a true and fair view of the financial position of the Authortiy at December 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Statutory Bodies (Accounts and Audit) Act and the Financial Reporting Act 2004.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following:

As more fully explained in Note 8(e) to the financial statements, the Authority has investment in Cargo Handling Corporation Ltd, a related party, which is carried at a cost of Rs 133.3 million. The equity of the related party is negative but no impairment has been made.

As detailed in Note 30 to the financial statements, the Authority has an aggregate receivable of Rs 326.955 million (2014: Rs 363.970 million) from Cargo Handling Corporation Ltd, a related party. The amount is receivable in scheduled

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

instalments over the next ten years. Cargo Handling Corporation Ltd has paid the amounts as they fell due and is expected to settle all amounts as they fall due in future.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have no relationship with, or interests in, the Authority other than in our capacity as auditors and dealings in the ordinary course of business.

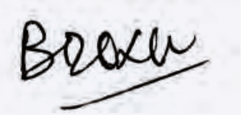
We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Authority as far as it appears from our examination of those records.

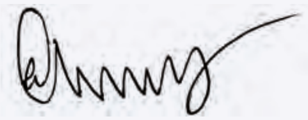
Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

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



BDO & Co
Chartered Accountants



Per Georges Chung Ming Kan, F.C.C.A
Licensed by FRC

Port Louis, Mauritius.

STATEMENT OF BOARD'S RESPONSIBILITIES

IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

The Board is responsible to prepare financial statements for each financial year which give a true and fair view of the financial position of the Authority. In preparing those financial statements, the Board is required to:

- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority;
- select suitable accounting policies, in compliance with International Financial Reporting Standards and apply them consistently;
- safe-guard the assets of the Authority by maintaining appropriate internal control systems and procedures;
- take reasonable steps for the prevention and detection of fraud and other irregularities;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in business.

The Board confirms that it has complied with the above requirements in preparing the financial statements and to enable it to ensure that the financial statements comply with the Statutory Bodies (Accounts and Audit) Act.

This report was approved by the Board and is signed on its behalf by:

Ramalingum Maistry
Chairman

Shekur Suntah
Director-General

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	Notes	2015 Rs'000	Restated 2014 Rs'000	Restated 2013 Rs'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	**8,165,124**	8,376,674	3,838,850
Investment property	6	**7,080,000**	7,080,000	-
Capital work in progress	7	**2,753,222**	353,912	148,929
Investments in financial assets	8	**474,776**	543,852	404,278
Loans receivable	9	**260,337**	300,231	486,036
Non-current receivables	10	**-**	643,580	822
Cash and cash equivalents		**-**	3,063,588	176,500
		18,733,459	20,361,837	5,055,415
Current assets				
Inventories	11	**34,808**	36,943	45,565
Trade and other receivables	12	**402,792**	276,391	263,375
Loans receivable	9	**64,588**	61,307	79,643
Cash and cash equivalents		**5,090,811**	1,649,099	3,918,209
		5,592,999	2,023,740	4,306,792
Total assets		**24,326,458**	22,385,577	9,362,207
FUNDS, RESERVES AND LIABILITIES				
Funds and reserves				
Republic of Mauritius capital account		**48,059**	48,059	48,059
Capital reserve	13	**9,781,376**	9,781,376	2,701,376
Reserve fund	13	**4,015,496**	3,335,496	2,850,438
Revaluation surplus	13	**7,344,566**	7,347,072	2,564,712
Investment fair value reserve	13	**247,719**	309,588	304,039
Retained earnings		**3,716**	12,432	13,182
		21,440,932	20,834,023	8,481,806
LIABILITIES				
Non-current liabilities				
Borrowings	14	**1,382,623**	611,664	153,000
Retirement benefit obligations	15	**582,539**	510,263	464,244
Capital grant	16	**93,809**	93,809	-
		2,058,971	1,215,736	617,244
Current liabilities				
Trade and other payables	17	**476,455**	161,272	94,629
Dividends payable to Government of Mauritius		**100,000**	100,000	100,000
Borrowings	14	**172,828**	-	-
Provisions for other liabilities	18	**77,272**	74,546	68,528
		826,555	335,818	263,157
Total liabilities		**2,885,526**	1,551,554	880,401
Total funds, reserves and liabilities		**24,326,458**	22,385,577	9,362,207

These financial statements have been approved for issue by the directors on 30 May 2016.

Ramalingum Maistry	**Shekur Suntah**	**S. GANGA**
Chairman	Director-General	Director Finance

STATEMENT OF FINANCIAL PERFORMANCE

YEAR ENDED DECEMBER 31, 2015

	Notes	2015 Rs'000	Restated 2014 Rs'000
OPERATING REVENUE			
Vessel dues	19	**525,718**	502,853
Traffic dues	20	**197,444**	154,377
Container dues	21	**377,870**	349,706
Concession fees		**128,946**	128,946
		1,229,978	1,135,882
NON-OPERATING INCOME			
Investment income	22	**22,903**	11,675
Finance income		**165,083**	166,658
Rental income	23	**102,186**	118,057
Loss on disposal of property, plant and equipment		**(304)**	(167)
Other non-operating income	24	**2,713**	5,141
		292,581	301,364
OPERATING EXPENSES			
Employee benefit expenses	25	**(480,130)**	(459,120)
Sundry operating expenses		**(14,842)**	(14,540)
Running expenses and repairs of equipment		**(109,733)**	(96,024)
Administrative expenses	26	**(49,538)**	(26,964)
Depreciation	5	**(328,868)**	(332,428)
		(983,111)	(929,076)
OPERATING SURPLUS		**539,448**	508,170
Net foreign exchange gain		**332,731**	100,218
SURPLUS BEFORE EXCEPTIONAL ITEMS		**872,179**	608,388
Exceptional items	27	**(49,125)**	-
SURPLUS INCOME FOR THE YEAR	28	**823,054**	608,388
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial losses recognised	29	**(54,276)**	(17,432)
Surplus on revaluation of property, plant and equipment		**-**	4,790,653
Items that may be reclassified subsequently to profit or loss:			
Reclassification adjustment on impairment of available-for-sale financial assets in profit or loss	29	**(15,410)**	-
(Decrease)/increase in fair value of available for sale financial assets	29	**(46,459)**	5,549
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**(116,145)**	4,778,770
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**706,909**	5,387,158

The notes on pages 12 to 57 form an integral part of these financial statements.
Auditors'report on pages 6 and 6(a).

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2015

	Notes	2015 Rs'000	Restated 2014 Rs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31(a)	1,056,252	180,260
Interest received		50,000	161,450
Interest paid		(26,460)	-
Net cash from operating activities		1,079,792	341,710
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, net of capital work in progress		(1,527,571)	(249,188)
Proceeds from sale of property, plant and equipment		1,268	982
Investment in financial assets		(293)	(693)
Grant received		-	93,809
Loan repayments received		62,395	69,541
Dividends received		21,103	11,675
Net cash used in investing activities		(1,443,098)	(73,874)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term borrowing		841,430	450,142
Dividends paid		(100,000)	(100,000)
Net cash from financing activities		741,430	350,142
NET INCREASE IN CASH AND CASH EQUIVALENTS		378,124	617,978
MOVEMENT IN CASH AND CASH EQUIVALENTS			
At January 1,		4,712,687	4,094,709
Increase		378,124	617,978
AT DECEMBER 31	31(b)	5,090,811	4,712,687

The notes on pages 12 to 57 form an integral part of these financial statements.
Auditors'report on pages 6 and 6(a).

STATEMENT OF CHANGES IN FUNDS AND RESERVES

YEAR ENDED DECEMBER 31, 2015

	Capital account Rs'000	Capital reserve Rs'000	Reserve fund Rs'000	Revaluation surplus Rs'000	Investment fair value reserve Rs'000	Retained earnings Rs'000	Total Rs'000
Balance at January 1, 2015							
- as previously stated	48,059	9,781,376	3,335,496	7,347,072	300,619	4,632	20,817,254
- prior year adjustment (note 32)	-	-	-	-	8,969	7,800	16,769
- as restated	48,059	9,781,376	3,335,496	7,347,072	309,588	12,432	20,834,023
Release on disposal of property, plant and equipment	-	-	-	(2,506)	-	2,506	-
Transfer from retained earnings	-	-	680,000	-	-	(680,000)	-
Profit for the year	-	-	-	-	-	823,054	823,054
Other comprehensive income	-	-	-	-	(61,869)	(54,276)	(116,145)
Dividends	-	-	-	-	-	(100,000)	(100,000)
Balance at December 31, 2015	48,059	9,781,376	4,015,496	7,344,566	247,719	3,716	21,440,932

YEAR ENDED DECEMBER 31, 2014

	Capital account Rs'000	Capital reserve Rs'000	Reserve fund Rs'000	Revaluation surplus Rs'000	Investment fair value reserve Rs'000	Retained earnings Rs'000	Total Rs'000
Balance at January 1, 2014							
- as previously stated	48,059	2,701,376	2,835,438	2,564,712	297,035	5,383	8,452,003
- prior year adjustment (note 32)	-		-	-	7,004	7,800	14,804
- as restated	48,059	2,701,376	2,835,438	2,564,712	304,039	13,183	8,466,807
Investment property	-	7,080,000	-	-	-	-	7,080,000
Release on disposal of property, plant and equipment	-	-	-	(8,293)	-	8,293	-
Revaluation surplus on property, plant and equipment	-	-	-	4,790,653	-	-	4,790,653
Transfer from retained earnings	-	-	500,000	-	-	(500,000)	-
Profit for the year	-	-	-	-	-	608,388	608,388
Other comprehensive income	-	-	58	-	5,549	(17,432)	(11,825)
Dividends	-	-	-	-	-	(100,000)	(100,000)
Balance at December 31, 2014	48,059	9,781,376	3,335,496	7,347,072	309,588	12,432	20,834,023

The notes on pages 12 to 57 form an integral part of these financial statements.
Auditors'report on pages 6 and 6(a).

NOTES TO THE FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2015

1 GENERAL INFORMATION

Mauritius Ports Authority is a state owned enterprise, domiciled in Mauritius.

The Ports Act 1998 has established the Mauritius Ports Authority (MPA) as the sole national Port Authority to operate as a landlord port, to regulate and control the port sector and to provide marine services. Its registered address is H.Ramnarain Building, Mer Rouge, Port Louis, Mauritius.

2 SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of Mauritius Ports Authority comply with the Statutory Bodies (Accounts and Audit) Act and have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been presented in Mauritian Rupee and all values are rounded to the nearest thousand (Rs'000) except where otherwise stated. Where necessary, comparative figures have been amended in order to conform to changes in presentation in the current year.

The financial statements have been prepared on the historical cost basis except that:

(i) Some classes of property, plant and equipment are carried at revalued amounts; and

(ii) Available-for-sale financial assets and other financial instruments are measured at their fair values.

Amendments to published Standards and Interpretations effective in the reporting period

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives. The amendment has no impact on the Authority's financial statements.

Annual Improvements 2010-2012 Cycle

IFRS 2, 'Share Based Payments' amendment is amended to clarify the definition of a 'Vesting Condition' and separately defines 'performance condition' and 'service condition'. The amendment has no impact on the Authority's financial statements.

IFRS 3, 'Business Combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial Instruments: Presentation'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss. The amendment has no impact on the Authority's financial statements.

IFRS 8, 'Operating Segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendment has no impact on the Auhtority's financial statements.

IFRS 13 (Amendment), 'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has no impact on the Authority's financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

IAS 16, 'PROPERTY, PLANT AND EQUIPMENT' and IAS 38,'INTANGIBLE ASSETS' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The amendment has no impact on the Authority's financial statements.

IAS 24,'Related Party Disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'Management Entity'). Disclosure of the amounts charged to the reporting entity is required. The amendment has no impact on the Authority's financial statements.

IAS 38, 'Intangible Assets' is amended to require an entity to take into account accumulated impairment losses when adjusting the amortisation on revaluation. The amendment has no impact on the Authority's financial statements.

Annual Improvements 2011-2013 Cycle

IFRS 1, 'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment has no impact on the Authority's financial statements, since the Authority is an existing IFRS preparer.

IFRS 3,'Business Combinations' is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. The amendment has no impact on the Authority's financial statements.

IFRS 13, 'Fair Value Measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The amendment has no impact on the Authority's financial statements.

IAS 40, 'Investment Property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. The amendment has no impact on the Authority's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2016 or later periods, but which the Authority has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
IFRS 14 Regulatory Deferral Accounts
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

IFRS 15 Revenue from Contract with Customers
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

Equity Method in Separate Financial Statements (Amendments to IAS 27)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Annual Improvements to IFRSs 2012-2014 Cycle

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

Disclosure Initiative (Amendments to IAS 1)

Where relevant, the Authority is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

2.2 Property, plant and equipment

Property, plant and equipment is initially recorded at cost.

Some classes of property, plant and equipment held for the operational activities or for administrative purposes are stated at their fair value, based on periodic valuations carried out by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying of the asset and the net amount is restated to the revalued amount of the asset.

The remaining classes of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Increase in the carrying amounts arising from revaluation are credited to revaluation surplus. Decreases that offset previous increases of the same asset are charged directly against revaluation surplus; all other decreases are charged to profit or loss.

Properties in the course of construction for operational activities, rental or administrative purposes or for purposes not yet determined are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs are capitalised. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the statement of financial performance. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Depreciation is calculated on the straight line method to write off the cost or revalued amounts to their residual values over their estimated useful life.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment (cont'd)

The annual rates are as follows:

	% p.a
Buildings	2.5 - 100
Navigational Aids	1.7 - 20
Tugs and Floating Crafts	5 - 100
Quays	1.4 - 4.76
Furniture and Equipment	20
Plant and Equipment	5.26 - 25
Cargo Handling Equipment	7.14 - 16.66
Marine Radio Equipment	10 - 20
Mooring Buoys and Ancillary Equipment	10 - 20
Motor Vehicles and Fire Fighting Equipment	7.69 - 100
Electrical Installation	10 - 25
Computer and Security Equipment	20
Fencing Port Area	6.25 - 20

Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.3 Investment property

Investment properties are properties held to earn rentals and/or for the capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value representing open-market value determined annually by external valuers. All of the Authority's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.4 Financial assets

(a) Categories of financial assets

The Authority classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment. The Authority's loans and receivables comprise cash and cash equivalents, and trade and other receivables.

(ii) Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months at the end of the reporting year.

(b) Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Authority commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets.

Available-for-sale financial assets are subsequently carried at their fair values. Loans and receivables are carried at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are accounted at cost.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in equity. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of financial performance as gains and losses on financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active and for unlisted securities, the Authority establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(c) Impairment of financial assets

The Authority assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Financial assets (cont'd)

(c) Impairment of financial assets (cont'd)

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Authority's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period.

For financial assets carried at amortised cost, the amount of the impairment loss recognised 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. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. Impairment losses are subsequently reversed through statement of comprehensive income if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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

(d) Derecognition of financial assets

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

If the Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than its entirety, the Authority allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.5 Long term receivables

Long term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of the asset is reduced by the difference between the asset's carrying amount and the present value of estimated cash flows discounted using the current market rate of return of similar financial assets.

If there is objective evidence that an impairment loss has occured, same is recognised in profit or loss. Long term receivables without fixed maturity terms are measured at cost.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2.7 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in profit or loss.

2.8 Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and in hand and demand deposits. Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.9 Trade and other payables

Trade and other payables and accruals are liabilities to pay for goods or services that have been received or supplied or formally agreed with the suppliers. Trade and other payables are stated at their fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Retirement benefit obligations

Defined benefit plan

A defined benefit plan is a pension plan that defines 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 Authority contributes to a defined benefit plan for most of its employees, which is a final salary pension plan. The cost of providing benefits is determined using the Projected Unit Credit Method, so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of plans every year.

Past-service costs are recognised immediately in income unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

2.12 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the Authority operates ('*functional currency*'). The financial statements are presented in Mauritian rupees, which is the Authority's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using exchange rates at the date the fair value was determined.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the investment fair value reserve.

2.13 Impairment of tangible assets

At each financial year-end, the Authority reviews the carrying amounts of its tangible 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).

When it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

2.13 Impairment of tangible assets (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating 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 or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss, 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.

2.14 Revenue recognition

Revenue comprises of the fair value for the sale of services, net of rebates and discounts.

Sales of services are recognised in the accounting period in which the services are rendered (by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided).

Other revenues earned by the Authority are recognised on the following bases:

- Rental income – on an accruals basis in accordance with the substance of the relevant agreements.
- Interest income – on a time-proportion basis using the effective interest method. When a receivable is impaired, the Authority reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.
- Dividend income – when the shareholder's right to receive payment is established.
- Other income – in the accounting year in which it is receivable.

2.15 Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of past events. It is probable that the Authority will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Dividend distribution

Dividend distribution to the Government of Mauritius is recognised as a liability in the Authority's financial statements in the period in which the dividends are declared.

2.17 Leases

Leases are classified as finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Authority as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease is added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.18 Related parties

For the purpose of these financial statements, parties are considered to be related to the Authority if they have the ability, directly or indirectly, to control the Authority or exercise significant influence over the Authority in making financial and operating decisions, or vice versa, or where the Authority is subject to common control or common significant influence. Related parties may be individuals or other entities.

2.19 Grants

Grants are not recognised until there is reasonable assurance that the Authority will comply with the conditions attaching to them. Grants are recognised in profit or loss on a systematic basis over the periods in which the Authority recognises as expenses the related cost for which the grants are intended to compensate. Specifically, grants whose primary condition is that the Authority should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful life of the related assets.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Authority with no future related cost are recognised in profit or loss in the period in which they become receivable.

2.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.21 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Authority. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Authority's activities expose it to a variety of financial risks, including:

- Foreign exchange risk;
- Credit risk;
- Price risk;
- Liquidity risk; and
- Interest rate risk.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the Authority's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

Foreign exchange risk

The Authority is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Euros and US dollars.

The Authority has set up a policy to require management to manage their exchange risk exposure with treasury.

The Authority aims at keeping sufficient cash in foreign currencies to repay its debts denominated in that same currency and also to finance major capital projects payable in foreign currencies.

The Authority's currency profile is as follows:

	2015		2014	
	USD Rs'000	EURO Rs'000	USD Rs'000	EURO Rs'000
ASSETS				
Cash and cash equivalents	3,521,518	255,407	1,863,394	295,952
Loans receivable	200,620	-	195,133	-
	3,722,138	255,407	2,058,527	295,952
LIABILITIES				
Borrowings	1,555,451	-	611,664	-
Other payables	221,320	5,984	95,713	1,282
	1,776,771	5,984	707,377	1,282

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

At December 31, 2015, if the rupee had weakened/strengthened by 5% against the US Dollar/Euro with all other variables held constant, surplus income for the year would have been Rs 188.8 million (December 31, 2014: Rs 82.3 million) higher/lower mainly as a result of foreign exchange gains/losses in translation of US Dollar/Euro denominated borrowings, other payables and cash and cash equivalents. Profit is more sensitive to movement in rupee/US Dollar exchange rates in the year ended December 31, 2015 than in the year ended December 31, 2014 because of the increased amounts of cash at bank.

Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Authority's credit risk is primarily attributable to its receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Authority's management based on prior experience and the current economic environment.

The Authority has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Authority has policies in place to ensure that rendering of services are made to customers with an appropriate credit history.

The table below shows the balance of the major counterparties at the end of the reporting year.

	2015 Rs'000	2014 Rs'000
Maersk Mauritius Ltd	**13,214**	13,242
Mediterranean Shipping & Co. Ltd	**12,877**	14,898
Cargo Handling Corporation Limited	**12,735**	12,716
Mauritius Shipping Corporation Ltd	**11,987**	8,842
	50,813	49,698

Price risk

The Authority is exposed to equity securities price risk because of investments held by the Authority and classified in the statement of financial position as available-for-sale. The Authority is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Authority diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Authority.

Sensitivity analysis

The table below summarises the impact of increase/decrease in the fair value of the investments on the funds and reserves.

The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	Impact on funds and reserves	
	2015 Rs'000	2014 Rs'000
Available-for-sale financial assets	**23,739**	27,193

Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Authority aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Authority's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

	6 months or less	6 - 12 months	2 – 5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
December 31, 2015					
Trade and other payables	**476,455**	**-**	**-**	**-**	**476,455**
Provisions for other liabilities	**77,272**	**-**	**-**	**-**	**77,272**
Total borrowings	**86,414**	**86,414**	**691,312**	**691,311**	**1,555,451**
December 31, 2014					
Trade and other payables	161,272	-	-	-	161,272
Provisions for other liabilities	74,546	-	-	-	74,546
Total borrowings	-	-	271,851	339,813	611,664

The Authority's currency profile is as follows:

Interest rate risk

All the interests bearing assets and liabilities have fixed interest rate except cash and cash equivalents. Therefore, the Authority's exposure to interest rate risk is limited.

At December 31, 2015, the Authority's interest bearing financial instruments included cash at bank amounting to Rs 4,381,985 (2014: Rs 3,868,989). The rate may increase or decrease depending on the prime-lending rate.

A change of 0.50% in interest rates at the reporting date would have increased/(decreased) profit by Rs 21,910 (2014: Rs 19,345) for the Authority.

Interests rates between 3.91% to 6% p.a. are receivable on MUR fixed deposit accounts while interest rates between 1.2% to 3.6% p.a. are receivable on USD fixed deposit accounts. Interest rate of 2% p.a. is receivable on euro deposit accounts.

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial Risk Factors (cont'd)

Legal Risk

Legal risk is the risk that the business activities of the Authority have unintended or unexpected legal consequences. It includes risk arising from:

- Inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainly about the validity or enforceability of a contract in counterparty insolvency;
- Actual or potential violations of laws or regulations (including activity unauthorised for an Authority and which may attract a civil or criminal fine or penalty);
- Failure to protect the Authority's property (including its intellectual property); and
- The possibility of civil claims (including acts or other events which may lead to litigation or other disputes).

The Authority identifies and manages legal risk through effective use of its internal and external advisers.

Business Risk

Business risk is the risk associated with operations and marketing activities of the Authority. Such risks can be associated with demand variability, sales price variability, competitor threat, operational leverage, portfolio risk and product development risks to the extent that they are independent of market risk. Business risk can also arise from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud or unforeseen catastrophes will result in unexpected losses. Business risk is closely monitored.

Operational Risk

Operational risk is the risk of direct or indirect losses arising from inadequate or failed internal processes, people and technology, and from external events. Management of operational risk is closely monitored.

Environment and Strategy Risk

Environment and strategy risk arise when there are forces that could either put the Authority out of busines or significantly change the fundamentals that drive the Authority's overall objectives and strategies.

Environment risks may arise from:

- Failure to understand customer needs;
- Failure to anticipate or react to actions of competitors; and
- Over dependence on vulnerable suppliers, etc.

The assessment of the Environment and Strategy risks also included discussions on:

Changes in laws/regulations and actions by the local regulators can result in increased pressures and significantly affect the Authority's ability to efficiently and competitively conduct business.

Risks which make the industry less attractive as a result of changes in:

- Key factors for competitive success within the industry, including significant opportunities and threats;
- Capabilities of existing and potential competitors; and
- Authority's strengths and weaknesses relative to present and future competitors.

3.2 Fair Value Estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Authority is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

3.3 Capital Risk Management

The Authority's objectives when managing capital are:

- to safeguard the Authority's ability to continue as a going concern, so that it can continue to provide returns for members and benefits for other stakeholders, and
- to provide an adequate return to members by pricing services commensurately with the level of risk.

The Authority sets the amount of capital in proportion to risk. The Authority manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Authority may adjust the amount of dividends paid to Government or sell assets to reduce debt.

The Authority monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. capital account, capital reserve, reserve fund, investment fair value reserve, retained earnings and revaluation surplus).

During the year ended December 31, 2015, the Authority's strategy, which was unchanged from the year ended December, 31 2014, was to maintain the least amount of debt. The gearing ratios at December 31, 2015 and December 31, 2014 were as follows:

	2015 Rs'000	2014 Rs'000
Total debt	1,555,451	611,664
Total funds and reserves	21,440,932	20,834,023
Debt-to-adjusted capital ratio	0.073	0.029

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions made by the Authority that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(a) Impairment of available-for-sale financial assets

The Authority follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Authority evaluates, among other factors, the duration and extent to which the fair value of an investment is less than their carrying value taking into consideration factors such as industry and sector performance, changes in technology and the financial health of and near-term business outlook for the operational and financing cash flow.

(b) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Authority determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Authority considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 15.

(c) Revaluation of property, plant and equipment, and investment properties

The Authority carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Authority engaged independent valuation specialists to determine fair value as at December 31, 2014. For the investment property, the valuer used a valuation technique based on a discounted cash flow model, as there is a lack of comparable market data because of the nature of the property.

The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of the investment properties, are further explained in Note 6.

(d) Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Authority using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Authority would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(e) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

(f) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Authority would currently obtain from disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(g) Revenue recognition

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the equipment applied to the total expected revenue arising from maintenance and repair contracts.

In addition, management exercises judgement in assessing whether significant risks and rewards have been transferred to the customer to permit revenue to be recognised.

(h) Impairment of assets

Property, plant and equipment are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value added and, if lower, the assets are impaired to the present value.

5. PROPERTY, PLANT AND EQUIPMENT

(a)

	COST/VALUATION				DEPRECIATION				NET BOOK VALUE
	At January 1, 2015	Additions	Disposals	At December 31, 2015	At January 1, 2015	Charge for the year	Disposal adjustment	At December 31, 2015	At December 31, 2015
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Land	47,550	-	-	47,550	-	-	-	-	47,550
Buildings & infrastructure	805,327	55,514	-	860,841	59,670	57,126	-	116,796	744,045
Navigational aids	15,845	1,045	-	16,890	1,417	1,522	-	2,939	13,951
Tugs and floating crafts	481,013	42,797	-	523,810	42,116	43,469	-	85,585	438,225
Quays	6,949,125	1,626	-	6,950,751	189,594	189,659	-	379,253	6,571,498
Furniture and equipment	37,463	1,884	-	39,347	34,126	1,859	-	35,985	3,362
Plant and equipment	39,093	401	-	39,494	6,155	4,564	-	10,719	28,775
Cargo Handling equipment	2,894	-	-	2,894	262	262	-	524	2,370
Marine radio equipment	7,126	16		7,142	2,418	1,213	-	3,631	3,511
Mooring buoys and ancillary equipment	216,100	-	-	216,100	3,639	3,639	-	7,278	208,822
Motor vehicle and fire fighting				-				-	-
equipment	30,922	12,731	(2,505)	41,148	9,675	7,077	(934)	15,818	25,330
Electrical installation	44,791	1,874	-	46,665	9,572	5,599	-	15,171	31,494
Computer and security equipment	115,532	1,001	-	116,533	61,904	11,820	-	73,724	42,809
Fencing port area	5,500	-	-	5,500	1,059	1,059	-	2,118	3,382
Total	**8,798,281**	**118,889**	**(2,505)**	**8,914,665**	**421,607**	**328,868**	**(934)**	**749,541**	**8,165,124**

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(b)

	COST/VALUATION					DEPRECIATION					NET BOOK VALUE
	At January 1, 2014	Additions	Revaluation	Disposals	At December 31, 2014	At January 1, 2014	Charge for the year	Disposal	Provision for depreciation eliminated on revaluation	At December 31, 2014	At December 31, 2014
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Land	47,550	-	-	-	**47,550**	-	-		-	**-**	**47,550**
Buildings & infrastructure	1,432,935	8,342	(635,950)	-	**805,327**	613,115	59,670	-	(613,115)	**59,670**	**745,657**
Navigational aids	9,570	-	6,275	-	**15,845**	8,166	1,417	-	(8,166)	**1,417**	**14,428**
Tugs and floating crafts	639,832	11,903	(166,722)	(4,000)	**481,013**	261,009	42,116	(4,000)	(257,009)	**42,116**	**438,897**
Quays	3,850,768	-	3,098,357	-	**6,949,125**	1,305,192	189,594	-	(1,305,192)	**189,594**	**6,759,531**
Furniture and equipment	36,406	1,057	-	-	**37,463**	32,241	1,885	-	-	**34,126**	**3,337**
Plant and equipment	21,733	372	16,988	-	**39,093**	11,394	4,527	-	(9,766)	**6,155**	**32,938**
Cargo Handling equipment	8,835	-	1,559	(7,500)	**2,894**	8,412	262	(7,500)	(912)	**262**	**2,632**
Marine radio equipment	12,900	-	(5,774)	-	**7,126**	12,752	1,225	-	(11,559)	**2,418**	**4,708**
Mooring buoys and ancillary equipment	21,674	-	194,426	-	**216,100**	6,568	3,639	-	(6,568)	**3,639**	**212,461**
Motor vehicle and fire fighting equipment	44,207	8,663	(20,798)	(1,150)	**30,922**	35,926	9,575	-	(35,826)	**9,675**	**21,247**
Electrical installation	12,264	-	32,527	-	**44,791**	7,268	5,412	-	(3,108)	**9,572**	**35,219**
Computer and security equipment	57,662	50,285	7,585	-	**115,532**	55,693	12,047	-	(5,836)	**61,904**	**53,628**
Fencing port area	64,694	-	(59,194)	-	**5,500**	64,444	1,059	-	(64,444)	**1,059**	**4,441**
Total	**6,261,030**	**80,622**	**2,469,279**	**(12,650)**	**8,798,281**	**2,422,180**	**332,428**	**(11,500)**	**(2,321,501)**	**421,607**	**8,376,674**

(c) The Authority's property, plant and equipment were last revalued at January 1, 2014 by Messrs. Mega Design,Consulting Engineers. Valuations were made on the basis of open market value. The revaluation surplus was credited to revaluation surplus in the Authority's reserves.

(d) Depreciation charge of Rs 328.868 million (2014: Rs 332.428 million) has been included in under operating expenses in the statement of profit or loss and other comprehensive income.

(e) If the following assets were stated on historical cost basis, the amount would be as follows:

	Cost Rs'000	Accumulated depreciation Rs'000	Net book value Rs'000
2015	**916,605**	**760,571**	**156,034**
Buildings & infrastructure	**19,770**	**18,679**	**1,091**
Navigation aids	**797,127**	**474,955**	**322,172**
Tugs and floating crafts	**2,766,370**	**1,251,202**	**1,515,168**
Quays	**60,878**	**45,523**	**15,355**
Motor vehicles and fire fighting equipment	**18,471**	**6,721**	**11,750**
Mooring buoys & other equipment	**66,495**	**66,495**	**-**
Fencing port area	**4,645,716**	**2,624,146**	**2,021,570**
2014			
Buildings & infrastructure	861,091	746,595	114,496
Navigation aids	18,725	18,403	322
Tugs and floating crafts	754,330	446,709	307,621
Quays	2,764,744	1,152,474	1,612,270
Motor vehicles and fire fighting equipment	51,649	39,327	12,322
Mooring buoys & other equipment	18,471	5,042	13,429
Fencing port area	66,495	66,495	-
	4,535,505	2,475,045	2,060,460

	2015 Rs'000	2014 Rs'000
Land - Fair value model At January 1 and December 31	**7,080,000**	7,080,000

6. INVESTMENT PROPERTY

The Authority has recognised land to the extent of 236 ha at its fair value in its financial statements. The valuation has been based on the fair value of Rs 30 million per ha estimated by MPA's private valuer – Messrs. Property & Asset Valuation Ltd, Chartered Valuation Surveyors. The fair value was determined on an open-market basis by reference to market evidence of transaction prices for similar properties at December 31, 2014. The Board members consider the carrying amount of land to approximate the fair value at reporting date.

Rental income from investment property amounted to Rs 102.186 million (2014: Rs 118.057 million). The investment property consists of land for rental and there are no costs incurred in that respect.

7. CAPITAL WORK IN PROGRESS

(a) Capital work in progress relates to capital expenditure on incompleted projects of the Authority. Included therein are the following projects:

		2015 Rs'000	2014 Rs'000
(i)	Extension and strenghting of MCT	2,603,439	292,286
(ii)	Design, construction, supply of one Azimuth stem drive Tug	138,811	-
(iii)	Erection of new security fencing & construction of control panel at port Mathurin	5,082	-
(iv)	Design & Supply of fendering system for terminal I & II at Port	4,073	-
(v)	Upgrading of Capitainerie Building	1,766	1,766
(vi)	Commissioning of an IP PBX Telephone system	51	-
(vii)	Rehabilitation of roads and drains in port area	-	38,796
(viii)	Supply and commissioning of one pilot boat	-	13,305
(ix)	Customs cargo Scanning facility at MCT	-	6,973
(xi)	Supply of electrical switchgear at Oil Jetty	-	516
(xii)	Racon for MCT Entrance Channel	-	270
		2,753,222	353,912

(b) The movement in capital work in progress over the year is as follows:

	2015 Rs'000	2014 Rs'000
At January 1,	353,912	148,929
Additions	2,452,885	274,301
Transfer to property, plant and equipment (see note (a) below)	(53,575)	(69,318)
At December 31	2,753,222	353,912

(i) The costs of projects completed during the year are transferred and shown as additions during the year under property, plant and equipment.

(ii) The Authority has taken a loan of USD 42.6 million from the Agence Francaise de Developpement for the upgrading and extension of Berth at the Mauritius Container Terminal.

Borrowing costs of Rs 40.266 million paid to the financial institution during the year ended December 31, 2015 have been capitalised and included in the extension and strenghtening of MCT Project.

Capitalisation rates ranging between 3.22% p.a. and 3.61% p.a. were used, representing the borrowing costs of the loan used to finance the project.

8. INVESTMENTS IN FINANCIAL ASSETS

(a) The movement in available-for-sale financial assets may be summarised as follows:

	2015 Rs'000	2014 Rs'000
At January 1,		
- as previously stated	527,083	389,474
- prior year adjustment (note 32)	16,769	14,804
- as restated	543,852	404,278
Additions	293	134,025
Impairment losses (see note (d) below)	(22,910)	-
(Decrease)/increase in fair value	(46,459)	5,549
At December 31	474,776	543,852

(b) At December 31, 2015

	Level 1 Rs'000	Level 2 Rs'000	Total Rs'000
Available-for-sale financial assets	150,026	324,750	474,776
At December 31, 2014 Available-for-sale financial assets	219,252	324,600	543,852

There were no transfers between level 1 and level 2 of the fair value hierarchy.

(c) Available-for-sale financial assets

(i) Available-for-sale financial assets include equity securities stated at fair value:

	2015 Rs'000	2014 Rs'000
Listed	79,601	151,639
Development & Enterprise Market	70,425	67,613
Unquoted	324,750	324,600
Total available-for-sale financial assets	474,776	543,852

(ii) All available-for-sale financial assets are denominated in Mauritian rupees.

(d) Investment in Bramer Banking Corporation Ltd (BBCL)

The Authority made an investment of Rs 7.5 million in the Mauritius Leasing Company Ltd (MLC Ltd) in year 2004. Following the merger of the MLC Ltd with Bramer Banking Corporation Ltd and Bramer (Holding) Co. Ltd, the MPA was issued with 5.3 million shares in BBCL at a price of Rs 8 per share. The investment was being accounted as available for sale asset and was measured at Rs 22.9 million as at April 3, 2015, date at which the Stock Exchange of Mauritius suspended the dealings in the securities of BBCL pursuant to Listing Rule 3.9 (a).

As BBCL is presently under special administration, the investment is considered to be irrecoverable. Thus, at December 31, 2015, the Authority has impaired the full investment of Rs 22.910 million in Brammer Banking Corporation Ltd.

(e) The Authority has more than 20% interest in the following entities, all of which are unquoted:

Cargo Handling Corporation Limited (CHCL)

The Authority holds 27% of the share capital of Cargo Handling Corporation Limited. CHCL is a state owned enterprise with the majority of the shares, i.e., 68% shares, being held by Government. The Board of Directors consists of 12 directors with 2 directors from Mauritius Ports Authority. The Authority, therefore, is not in a position to exercise any significant influence over the operating and financial policies of the organisation.

With a view to reinforce the capital structure of the CHCL, Government decided to contribute an amount of Rs 200 million in the CHCL in July 2014. Based on its shareholding of 40%, MPA contributed an amount of Rs 133.33 million in the share capital of the CHCL by the part conversion of the financial liability due to the Authority on the disposal of the three Rail Mounted Quay Cranes. The Government invested a further amount of Rs 175 million in the share capital of the CHCL in December 2015 thereby diluting the shareholding of MPA to 27%.

It has been observed that the CHCL has a negative equity of some Rs 79.58 million as at December 31, 2015 as per its management accounts. The negative balance is attributed mainly to an actuarial loss on its pension fund. However, the Corporation has realised net profits on its operations over the years. It has been forecast that in case this trend is maintained, CHCL will be able to report positive equity in future. Given the fact that the CHCL is also a governmental organisation, no impairment has been brought to this investment value.

Froid des Mascareignes Limited

The Authority holds 30% of the share capital of Froid des Mascareignes Limited. Seafood Hub Ltd holds the majority of the share capital of the company and has control over its operating and financial policies. Given that the core activities of the Authority are different from those of Froid des Mascareignes Limited, the Authority does not exercise significant influence over the operating and financial policies of the company.

Thus, the investments in Cargo Handling Corporation Limited and Froid des Mascareignes Limited have been treated as investments in financial assets and accounted for under IAS 39 – Financial Instruments: Recognition and Measurement.

9. LOANS RECEIVABLE

	2015 Rs'000	2014 Rs'000
Non-current		
Loans to Cargo Handling Corporation Limited (see note (a) below)	242,345	280,390
Loans to Mauritius Housing Company Ltd (see note (b) below)	17,992	19,841
	260,337	300,231
Current		
Loans to Cargo Handling Corporation Limited (see note (a) below)	62,740	59,386
Loans to Mauritius Housing Company Ltd (see note (b) below)	1,848	1,921
	64,588	61,307
	324,925	361,538

(a) Loans receivable from Cargo Handling Corporation Limited represent advances for the purchase of cargo handling equipment. These loans are repayable in equal yearly instalments. The rates of interest on these loans vary between 3% to 7.5%.

(b) Loans receivable from Mauritius Housing Corporation Ltd represent advances for the Authority's Housing Loan Scheme. The loans are unsecured and are repayable in 20 equal yearly instalments. The rates of interest vary between 5% to 6%.

(c) Non-current loans receivable can be analysed as follows:

	2015 Rs'000	2014 Rs'000
After one year and before five years		
- Cargo Handling Corporation Limited	161,504	187,233
- Mauritius Housing Company Ltd	10,408	10,608
	171,912	197,841
After five years		
- Cargo Handling Corporation Limited	80,841	93,157
- Mauritius Housing Company Ltd	7,584	9,233
	88,425	102,390
	260,337	300,231

10. NON-CURRENT RECEIVABLES

	2015 Rs'000	2014 Rs'000
Advance payment	-	566,209
Interest on fixed deposits	-	77,371
	-	643,580

11. INVENTORIES

	2015 Rs'000	2014 Rs'000
Oil, lubricants and spare parts	**35,440**	36,114
Office supplies	**1,139**	956
Operating supplies	**1,169**	862
Uniforms	**417**	782
Goods in transit	**757**	2,343
	38,922	41,057
Provision for damaged, slow moving/obsolete items	**(4,114)**	(4,114)
	34,808	36,943

The cost of inventories recognised as expense and included in running expenses and repairs of equipment amounted to Rs 63.61 million (2014: Rs 79.08 million).

12. TRADE AND OTHER RECEIVABLES

	2015 Rs'000	2014 Rs'000
Trade receivables	**63,787**	76,936
Amount owed by related party -		
Cargo Handling Corporation Ltd (note 33)	**12,735**	12,716
Receivable from lessees of the Authority	**31,778**	27,294
	108,300	116,946
Provision for doubtful debts	**(17,702)**	(9,449)
	90,598	107,497
Accred interest	**215,221**	22,788
Accrued revenue	**59,409**	58,643
Advances to employees	**30,252**	32,593
Prepayments	**6,012**	53,398
Other receivables	**1,300**	1,472
	402,792	276,391

(a) The carrying amount of the Authority's trade and other receivables approximate their fair values.

(b) As of December 31, 2015, trade receivables of Rs 17.702 million (2014: Rs 9.449 million) were impaired for which provision has been made. The amount of provision was Rs 17.702 million as of December 31, 2015 (2014: Rs 9.449 million). The ageing of these receivables is as follows:

	2015 Rs'000	2014 Rs'000
Over 3 months	**17,702**	9,449

(c) As of December 31, 2015, trade receivables of Rs 27.354 million (2014: Rs 27.651 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2015 Rs'000	2014 Rs'000
Over 3 months	**27,354**	27,651

(d) Movements of the provision for impairment of trade receivables are as follows:

	2015 Rs'000	2014 Rs'000
At January 1,	9,449	13,697
Charge to profit or loss	8,349	-
Receivables written off during the year as uncollectible	(96)	(4,248)
At December 31	17,702	9,449

(e) The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the end of the reporting date is the fair value of each class of receivable mentioned above. The Authority does not hold any collateral as security.

13. RESERVES

	Capital reserve Rs'000	Reserve fund Rs'000	Revaluation surplus Rs'000	Investment fair value reserve Rs'000	Total Rs'000
At January 1, 2015					
- as previously stated	9,781,376	3,335,496	7,347,072	300,619	20,764,563
- prior year adjustment (note 32)	-	-	-	8,969	8,969
- as restated	9,781,376	3,335,496	7,347,072	309,588	20,773,532
Transfer from retained earnings	-	680,000	-	-	680,000
Release on disposal of property, plant and equipment	-	-	(2,506)	-	(2,506)
Reclassification adjustment on impairment of available-for-sale financial assets in profit or loss	-	-	-	(15,410)	(15,410)
Decrease in fair value of available-for-sale financial assets (note 8(a))	-	-	-	(46,459)	(46,459)
At December 31, 2015	9,781,376	4,015,496	7,344,566	247,719	21,389,157
At January 1, 2014					
- as previously stated	2,701,376	2,850,438	2,564,712	297,035	8,413,561
- prior year adjustment (note 32)	-	(15,000)	-	7,004	(7,996)
- as restated	2,701,376	2,835,438	2,564,712	304,039	8,405,565
Transfer from retained earnings	-	500,000	-	-	500,000
Release on disposal of property, plant and equipment	-	-	(8,293)	-	(8,293)
Revaluation gain on property, plant and equipment	-	-	4,790,653	-	4,790,653
Initial valuation of properties held to earn rentals	7,080,000	-	-	-	7,080,000
Transfer from pension liability	-	58	-	-	58
Increase in fair value of available-for-sale financial assets (note 8(a))	-	-	-	5,549	5,549
At December 31, 2014	9,781,376	3,335,496	7,347,072	309,588	20,773,532

(a) Captial reserve

Capital reserve includes an amount of Rs 7.08 billion representing initial valuation of properties held to earn rentals.

(b) Reserve fund

	2015 Rs'000	2014 Rs'000
Port Development Reserve	**2,046,500**	1,706,500
General Reserve	**883,638**	679,638
Insurance Reserve	**1,085,358**	949,358
	4,015,496	3,335,496

As per Clause 16(3) of the Ports Act 1998, the net surplus of the Authority shall be applied for the creation of a general reserve, specific reserves or the payment of dividends as the Authority may think fit and as the financial situation of the Authority will permit.

(c) Revaluation surplus

Revaluation surplus represents surplus on revaluation of certain property, plant and equipment. A revaluation exercise was carried out by Mega Design, Consulting engineers to revalue certain property, plant and equipment at January 1, 2014.

(d) Investment fair value reserve

Investment fair value reserve represents the net surplus of fair value of investments over their costs.

14. BORROWINGS

(a)

	2015 Rs'000	2014 Rs'000
Non-current		
Loan - Agence Française de Développement	**1,382,623**	611,664
Current		
Loan - Agence Française de Développement	**172,828**	-
Total borrowings	**1,555,451**	611,664

(b) Agence Francaise de Development (AFD)

Loan of USD 42,556,800 have been obtained by the Authority with Agence Française de Dévelopment for the Extension of Mauritius Container Terminal, dredging works and other associated works. An amount of USD 5 million and USD 14.1 million have been disbursed in the year 2013 and 2014 respectively and the balance of USD 23.4 million has been received during financial year 2015. The loan bears interest at the rates of 3.22% p.a. and 3.61% p.a. and is repayable over a period of 9 years. The loan is secured and guaranteed by the Government of Mauritius.

(b) The exposure of the Authority's borrowings to interest rate changes and the contractual repricing dates are as follows:

	6 months or less Rs'000	6 - 12 months Rs'000	1 - 5 years Rs'000	Over 5 years Rs'000	Total Rs'000
At December 31, 2015	**86,414**	**86,414**	**691,312**	**691,311**	**1,555,451**
At December 31, 2014	-	-	271,851	339,813	611,664

(c) Non-current borrowings can be analysed as follows:

	2015 Rs'000	2014 Rs'000
After one year and before two years	**172,828**	67,963
After two years and before five years	**518,484**	203,888
After five years	**691,311**	339,813
Total non-current borrowings	**1,382,623**	611,664

(d) The carrying amounts of borrowings are not materially different from their fair values.

(e) The carrying amounts of the Authority's borrowings are denominated in US Dollar.

15. RETIREMENT BENEFIT OBLIGATIONS

	2015 Rs'000	2014 Rs'000
Pension benefits		
Amount recognised in the statement of financial position as non-current liabilities	**582,539**	510,263
Amount charged to profit or loss	**55,759**	57,252
Amount charged to other comprehensive income	**54,276**	17,432

(i) The Authority contributes to a defined benefit pension. The plan is a final salary plan, which provides benefit to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final year leading up to retirement.

(ii) The assets of the fund are held independently and administered by State Insurance Company of Mauritius Ltd (SICOM).

(iii) The amount recognised in the statement of financial position are as follows:

	2015 Rs'000	2014 Rs'000
Present value of funded obligations	**1,260,771**	1,192,069
Fair value of plan assets	**(678,232)**	(681,806)
Liability in the statement of financial position	**582,539**	510,263

(iii) The movements in the statement of financial position are as follows:

	2015 Rs'000	2014 Rs'000
At January 1,	**510,263**	464,244
Profit or loss charge	**55,759**	57,252
Other comprehensive income charge	**54,276**	17,432
Actuarial reserves transferred in reserve fund	**-**	(58)
Contributions paid	**(37,759)**	(28,607)
At December 31	**582,539**	510,263

(iv) The movement in the defined benefit obligations over the year is as follows:

	2015 Rs'000	2014 Rs'000
At January 1,	**1,192,069**	1,133,636
Current service cost	**29,985**	28,768
Interest cost	**89,405**	90,691
Benefits paid	**(64,591)**	(63,040)
Liability loss	**13,903**	2,014
At December 31	**1,260,771**	1,192,069

(v) The movement in the fair value of plan assets of the year is as follows:

	2015 Rs'000	2014 Rs'000
At January 1,	**681,806**	669,394
Expected return on plan assets	**50,617**	52,562
Actuarial loss	**(40,373)**	(15,418)
Employer contributions	**37,758**	28,607
Employee contributions	**13,924**	10,476
Actuarial reserves transferred in reserve fund	**-**	58
Benefits paid	**(65,500)**	(63,873)
At December 31	**678,232**	681,806

(vi) The amounts recognised in profit or loss are as follows:

	2015 Rs'000	2014 Rs'000
Current service cost	**29,985**	28,768
Employee contribution	**(13,924)**	(10,476)
Fund expenses	**910**	831
Net interest expense	**38,788**	38,129
Total included in 'employee benefit expense'	**55,759**	57,252

(vii) The amounts recognised in other comprehensive income are as follows:

	2015 Rs'000	2014 Rs'000
Liability loss	13,903	2,014
Asset loss	40,373	15,418
	54,276	17,432

(viii) The principal actuarial assumptions used for accounting purposes were:

	2015 %	2014 %
Discount rate	7.5	8.0
Expected return on plan assets	7.5	8.0
Future salary increases	5.0	5.5
Future pension increases	3.0	3.5

(ix) TThe assets in the plan and the expected rate of return were:

	2015		2014	
	Rs'000	%	Rs'000	%
Government securities and cash	394,053	58.1	389,313	57.1
Loans	29,164	4.3	27,954	4.1
Local equities	107,839	15.9	143,861	21.1
Overseas bonds and equities	142,429	21.0	115,907	17.0
Property	4,748	0.7	4,773	0.7
	678,232	100.0	681,806	100.0

(x) The assets of the plan are invested mainly in government securities, equities and overseas bonds. The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the end of the reporting date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

(xi) The defined benefit pension plan exposes the Authority to actuarial risks such as interest rate risk, mortality and longevity risk and salary risk.

(xii) The Authority expects to pay Rs 36.3 million in contribution to its post-employment benefit plans for the year ending December 31, 2016.

(xiii) The weighted average duration of the defined obligation is 12 years at the end of the reporting date.

16. CAPITAL GRANT

Capital grant of USD 3,159,920 has been received from Agence Française de Developpement under the project for the extension and strengthening at Mauritius Container Terminal. Upon capitalisation of the project, the grant will be released over the expected life of the asset to profit or loss.

17. TRADE AND OTHER PAYABLES

	2015 Rs'000	2014 Rs'000
Trade payables	-	1,257
Amount owed to contractors for capital projects	336,057	36,417
Accrued expenses	98,501	76,697
Deposits received	1,328	1,328
Other payables	40,569	45,573
	476,455	161,272

The carrying amounts of trade and other payables approximate their fair values.

18. PROVISIONS FOR OTHER LIABILITIES

	2015			2014
	Passage benefits	Sick leaves	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	22,812	51,734	74,546	68,528
Paid during the year	(9,678)	(9,546)	(19,224)	(16,586)
Charge to profit or loss	10,793	11,157	21,950	22,604
At December 31	23,927	53,345	77,272	74,546

Provision has been made for employees' passage benefits and accumulated sick leaves entitlement up to the end of the reporting date. The amount charged to profit or loss has been included in 'Employee Benefit Expense' in Note 25.

19. VESSEL DUES

	2015 Rs'000	2014 Rs'000
Tug services	242,432	224,963
Net anchorage fees	137,913	135,205
Pilotage	57,619	52,571
Port dues	70,554	71,681
Miscellaneous fees	14,767	16,945
Net removal of garbage fees	1,682	1,028
Net seamen's welfare dues	751	460
	525,718	502,853

20. TRAFFIC DUES

	2015 Rs'000	2014 Rs'000
Bulk cargo/pipeline dues	155,793	123,370
Quay fees	32,312	25,746
Miscellaneous	9,339	5,261
	197,444	154,377

21. CONTAINER DUES

	2015 Rs'000	2014 Rs'000
Quay Fees - Import	187,803	165,135
Quay Fees - Export	137,240	121,503
Transshipment	50,276	61,284
Repositioning of containers	2,551	1,784
	377,870	349,706

22. INVESTMENT INCOME

	2015 Rs'000	2014 Rs'000
Investment income represents income from:		
Quoted investments	7,225	9,845
Unquoted investments	15,678	1,830
	22,903	11,675

23. RENTAL INCOME

	2015 Rs'000	2014 Rs'000
Properties held to earn rentals	102,186	118,057

Rental income is derived from the lease of land in the Port Area. Under the Ports Act 1998, all land within a port shall vest and be deemed to be the property of the Authority. The MPA has recognised the land at their fair values in the financial statements with effect from January 01, 2014.

24. OTHER NON-OPERATING INCOME

	2015 Rs'000	2014 Rs'000
Insurance claims received	22	2,877
Pension contribution refunded by Cargo Handling Corporation Ltd	2,684	2,264
Others	7	-
	2,713	5,141

25. EMPLOYEE BENEFIT EXPENSE

	2015 Rs'000	2014 Rs'000
Salaries, wages and allowances	421,801	399,613
Pension costs - defined benefit plans	55,759	57,252
Social security costs	2,570	2,255
	480,130	459,120

26. ADMINISTRATIVE EXPENSES

	2015 Rs'000	2014 Rs'000
Professional and legal fees	**11,792**	7,876
General overheads	**9,009**	2,097
Provision for bad debts	**8,349**	-
Telephone and postage expenses	**2,858**	2,665
Insurance	**2,454**	1,488
Overseas travelling	**2,359**	1,231
Office supplies	**2,240**	2,035
Software licences	**1,741**	-
Subscription fees	**1,659**	1,987
Employee welfare expenses	**1,632**	-
Board member fees	**1,332**	1,695
Other expenses	**4,113**	5,890
	49,538	26,964

27. EXCEPTIONAL ITEM

	2015 Rs'000	2014 Rs'000
Compensation to fishermen (note (a) below)	**41,625**	-
Impairment losses of available-for-sale financial assets (note 8)	**22,910**	-
Reclassification adjustment on impairment of available-for-sale financial assets included in profit or loss	**(15,410)**	-
	49,125	-

(a) The Authority has disbursed an amount of Rs 41.625 million as compensation payment to fishermen operating in the vicinity of the port area. The fishermen have been compensated as their fishing activities have suffered from major works undertaken by the Authority in view of the extension and streghthening of the Mauritius Container Terminal Quay.

28. SURPLUS INCOME FOR THE YEAR

	2015 Rs'000	2014 Rs'000
Surplus income for the year is arrived at after charging:		
Loss on disposal of property, plant and equipment	**304**	168
Depreciation on property, plant and equipment	**328,868**	332,428
Employee benefit expense (note 25)	**480,130**	459,120
Impairment losses on available-for-sale financial assets	**22,910**	-

29. OTHER COMPREHENSIVE INCOME

December 31, 2015	Investment fair value reserve Rs'000	Retained earnings Rs'000
Reclassification adjustment on impairment of available-for-sale financial assets included in profit or loss	**(15,410)**	-
Decrease in fair value of available-for-sale financial assets (note 8)	**(46,459)**	-
Actuarial loss recognised (note 15)	**-**	(54,276)
	(61,869)	(54,276)

29. OTHER COMPREHENSIVE INCOME (cont'd)

December 31, 2014 - Restated	Revaluation surplus Rs'000	Investment fair value reserve Rs'000	Retained earnings Rs'000
Increase in fair value of available-for-sale financial assets (note 8)	-	5,549	-
Surplus on revaluation of property, plant and equipment	4,790,653	-	-
Actuarial loss recognised (note 15)	-	-	(17,432)
	4,790,653	5,549	(17,432)

30. RECEIVABLE FROM CARGO HANDLING CORPORATION LTD (CHCL)

At reporting date, the Authority had a receivable of Rs 326.955 million (2014: Rs 363.970 million) from CHCL analysed as follows:

	2015 Rs'000	2014 Rs'000
Included in trade and other receivables (note 12)	**12,735**	12,716
Accrued interest in trade and other receivables (note 12)	**9,135**	11,478
Current portion of loan receivables (note 9)	**62,740**	59,386
Non-current portion of loan receivables (note 9)	**242,345**	280,390
	326,955	363,970

31. NOTES TO STATEMENT OF CASH FLOWS

	2015 Rs'000	2014 Rs'000
(a) Cash generated from operations		
Surplus income for the year	**823,054**	608,388
Adjustments for:		
Depreciation on property, plant and equipment	**328,868**	332,428
Investment income	**(22,903)**	(11,675)
Interest income	**(165,083)**	(166,658)
Loss on disposal of property, plant and equipment	**304**	168
Increase in provision for retirement benefit obligations	**18,000**	28,645
Impairment losses on investment	**7,500**	-
Exchange loss on borrowings	**102,357**	8,522
Exchange (gain)/loss on loans receivable	**(25,782)**	1,268
	1,066,315	801,086
Changes in working capital		
- inventories	**2,135**	8,622
- trade and other receivables	**17,852**	(650,566)
- trade and other payables and provisions for other liabilities	**(30,050)**	21,118
Cash generated from operations	**1,056,252**	180,260

31. NOTES TO STATEMENT OF CASH FLOWS (Cont'd)

	2015 Rs'000	2014 Rs'000
(b) Cash and cash equivalents		
Cash in hand and at bank	**1,555,734**	1,649,099
Short term bank deposits	**3,535,077**	3,063,588
	5,090,811	4,712,687

32. PRIOR YEAR ADJUSTMENT

The Authority holds 1,814,380 shares, representing 30% of the share capital of Froid des Mascareignes Limited (FDM). The Authority contributed in the equity share capital of FDM as follows:

Year	No. of shares	Investment Value Rs'000
1996	900,000	9,000
2007	674,916	18,000
2009	292,464	7,800
Total	1,814,380	34,800

In year 2009, FDM proceeded with a rights issue of 974,879 shares, at a price of Rs 26.67 per share, to which the Authority subscribed to 292,464 shares, representing its 30% holding in the company for an amount of Rs 7,800,015.

The Authority was allocated the 292,464 shares for the amount of Rs 7.8 million (i.e. 292,464 shares x Rs 26.67) by the issue of the shares in lieu of dividend. However, the subscription to the rights issue through shares in lieu of dividend was not recognised in the financial statements of the Authority in year 2009.

Therefore, to correct this prior years' omission, the financial statements for the two preceeding periods have been restated in accordance with IAS 18: Accounting Policies, Changes in Accounting Estimates and Errors.

The table below shows the changes following the restatement. The effects of correcting the prior years' figures for the investment in FDM on the Authority's statement of financial position at December 31, 2013 and 2014 are:

	Investment in financial assets Rs'000	Retained earnings Rs'000	Investment fair value reserve Rs'000
Balance as reported at December 31, 2013	389,474	5,382	297,035
Effect of correcting prior years figures			
- brought forward	13,553	7,800	5,753
- effect on current year	1,253	-	1,253
Restated Balance at December 31, 2013	404,279	13,182	304,040
Balance as reported at December 31, 2014	527,083	4,632	300,619
Effect of correcting prior years figures			
- brought forward	14,804	7,800	7,005
- effect on current year	1,965	-	1,964
Restated Balance at December 31, 2014	543,853	12,432	309,589

The effects of correcting the prior years' figures for the investment in FDM do not have any impact on the Authority's statement of comprehensive income and statement of cash flows for the years ended December 31, 2013 and 2014.

33. RELATED PARTY TRANSACTIONS

(i) **Transactions - 2015**

	Rendering of services Rs'000	Sales of services Rs'000	Finance income Rs'000	Repayment of loans receivable Rs'000	Investment in shares Rs'000	Loans receivables from Rs'000	Amount owed by related party Rs'000
Transactions - 2015							
Cargo Handling Corporation Limited	428	128,946	16,056	59,874	-	305,085	12,735
Transactions - 2014							
Cargo Handling Corporation Limited	66	128,946	19,902	68,208	133,332	339,776	12,716

(ii) **Key management personnel compensation**

	2015 Rs'000	2014 Rs'000
Salaries and short term employee benefits	8,594	7,797
Post-employment benefits	866	689
	9,460	8,486

(iii) No provision has been made for doubtful debts in respect of assets owed by related parties.

(iv) Loans receivable from Cargo Handling Corporation Limited represent advances for the purchase of cargo handling equipment (rail mounted quay cranes). These loans are repayable in 7, 8 and 10 equal yearly instalments. The rate of interest on these loans vary between 3% to 7.5% p.a.

(v) The Authority has a concession agreement with Cargo Handling Corporation Limited for an amount of USD 383,084 per month at a capped exchange rate of Rs 28.05 per USD.

34. FUTURE CAPITAL EXPENDITURE

The Board has approved capital expenditure for an aggregate amount of Rs 9.5 billion for the next five years for new projects and those which are in progress. The main projects include the following:

(a) Quay extension and strengthening
(b) Construction of rock bund
(c) Dredging works at MCT and Quay 1
(d) Procurement of one fire tenderer
(e) Upgrading of Capitainerie Building
(f) Berth Extension - Phase II
(g) Cruise Terminal Building
(h) Procurement of three big tugs
(i) Computerisation/implementation of IT projects
(j) Dredging works following Phase II
(k) Extension of Quay 1
(l) Construction of breakwater at Fort William & Caudan
(m) Infrastructure work at Fort William

35. CONTINGENT LIABILITIES

(i) No provision has been made for any liabilities that may arise for damages caused through negligence, if any.

(ii) Except for pension plans, no provision has been made in these financial statements for any liability that may arise under the Labour Act.

(iii) **Legal claim**
A Company has commenced an action against the Authority for damages for prejudice suffered. The estimated pay out is Rs 417 million should the action be successful. The trial date has been set for May 31, 2016.

The Authority has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been recognised in these financial statements.

36. OPERATING LEASE ARRANGEMENTS

	2015 Rs'000	2014 Rs'000
The Authority as lessor		
Rental income earned from leased properties	102,186	118,057
Operating expenses on leased properties	Nil	Nil

Operating lease contracts contain market review clauses.

The lessee does not have an option to purchase the property at the expiry of the lease period.

37. PLEDGES AND SECURITIES

The long term borrowing of the Authority is guaranteed by the Republic of Mauritius.

H. Ramnarain Building,
Mer Rouge, Port Louis, Republic of Mauritius.
Tel: (230) 206 5400 - Fax: (230) 240 0856
E-mail: info@mauport.com

www.mauport.com

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