MPA
Mauritius Ports Authority

HARNESSING THE WEALTH OF THE OCEAN

Annual Report 2013

CONTENTS

FROM THE CHAIRMAN'S OFFICE

D. J. Maurice ALLET, C.S.K.
Chairman

HARNESSING THE WEALTH OF THE OCEAN

On behalf of the Board of Directors, I have the honour and privilege to present the report on the MPA's activities and affairs for the Financial Year 2013 and also to present the Audited Accounts for the year ending 31 December 2013.

During 2013, the Authority has registered a drop of 4.4% and 5.8% in the total trade volume and containerized cargo respectively. On the other hand, vessel traffic has shown a positive growth of 5.1% with container vessels' calls showing a rise of 7.5% and fishing vessels' calls increasing by 16.7%, representing new records in the operational key figures.

On the financial side, the MPA has achieved a satisfactory performance as the operating revenue reached a figure of Rs 1.215 billion which is yet another record figure compared with that attained last year i.e. Rs 1,158 billion. A net surplus of Rs 612.4 million has been realized for the year ending 31 December 2013.

I must here point out that the decision to reschedule the loan repayments of the Cargo Handling Corporation Limited has proved to be successful as all outstanding loan repayments have been received by the MPA in line with the agreed time frames.

The MPA has already embarked on the project for the extension and strengthening of its quay at the Mauritius Container Terminal (MCT) which is one of the main capital projects within the Port Development Programme. The works would be implemented under three contract packages, namely:

(i) Construction of 3,000 meters rock bund wall both at Fort William and Fort Georges;
(ii) Marine & Civil Works for the extension of the MCT Quay by 240m, strengthening of the existing 560m long berth and expansion of the container stacking yard by 7.5 ha; and
(iii) Dredging works to further deepen the English Channel to 16.5m below Chart Datum to ensure safe manoeuvring and operations of fully laden 8000-9000 TEU capacity vessels.

The rock bund construction works was awarded in July 2013 and are expected to be completed by October 2014. Bids for the Marine & Civil Works and Prequalification for Dredging Works had already been launched.

Prior to execution of works under the rock bund construction contract, several representations from fishermen of the region were received at the MPA pertaining mainly to impact of the works on their fishing activities. A technical committee was set up under the chairmanship of MPA and comprising representatives of fishermen and their legal representatives, representatives of Ministry of Fisheries, Prime Minister's Office (External Communications Division) and the State Law Office to examine and discuss these representations. Both parties have agreed to the appointment of an independent arbitrator to resolve the dispute.

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In line with the MPA ICT Strategic Plan, which constitutes a road map for the Authority in terms of information technology requirements, the contract for the Supply, Installation and Commissioning of an Enterprise Resource Planning System was awarded in 2013. The objectives of the project are to adopt new and emerging ICT solutions and information technology to improve operational efficiency, facilitating service delivery through improved e-initiatives and integrated ICT systems, provide information systems for policy decision matters and enhance the sharing of information through use of collaborative tools.

The MPA has pursued its commitment to risk governance by establishing a Risk Management Function within the Internal Audit Department, aiming at institutionalizing risk management in the Authority's corporate strategy and organizational culture. The rationale of the risk function is to devise a plan towards developing proactive strategies to ensure that every effort is made to appropriately manage risks that may have a bearing on port operations. A Risk Charter has been approved by the Board outlining the objectives, processes, accountabilities, reporting mechanism, etc. The Charter has been formulated for providing guidance and serving as a reference document to ensure that a common understanding of what is to be accomplished is shared by all stakeholders.

The services of a foreign consultancy firm funded by the European Union were enlisted to prepare a Port Energy Efficiency and Renewable Energy Strategic Plan. The Consultants met with all the port stakeholders concerned and conducted an energy audit, elaborated a strategic energy management plan highlighting the costs and benefits associated with the introduction of energy efficiency measures, technologies and practices, and assessed the renewable energy potentials. The consultants submitted their Reports which have been examined by management and an Implementation Plan had been elaborated defining the actions required with agreed time frames for the way forward.

The Ocean Economy Initiative launched by Government in 2013 aims at providing an integrated approach for the development, management, regulation and promotion of ocean-related economic activities related to the ocean, the seabed and the subsoil as well as onshore ocean-related services and industries. To this end, Government has presented a Road Map on the development of the Ocean Economy which spells out the vision, goals and strategies for the establishment and expansion of a new pillar of our economy. The National Task Force on Ocean Economy has entrusted MPA with the responsibility of chairing the Advisory Council for the Seaport Related Activities cluster which comprises, inter-alia, container transshipment; cruise; petroleum hub; ship building, repairs and associated services; and port-related services. Among the 10 key objectives of the Ocean Economy set out for the 2015, 2020 and 2025 milestones, it is planned to develop Mauritius in the short term, into a major hub in the region for petroleum products, cruise, container transshipment and port related services.

During the year under review, MPA had planned some upgrading works at Port Mathurin which consisted of repairs and renovation works to the Port Administration Building, upgrading of the Passenger Terminal Lounge and backup facilities, including those at the Slipway.

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I am pleased to report that these works, estimated to Rs 4,3 million, started on 29 July 2013 and were substantially completed ahead of schedule in December 2013 to the satisfaction of both the Authority and the Rodrigues Regional Assembly.

Prior to concluding this year's report, I wish to point out that the forthcoming year 2014 will be very challenging as execution of works for the extension and strengthening of the quay at MCT are expected to start. The implementation of this mega project would enhance the handling and operational capacity of Port Louis Harbour to be able to accommodate and service higher profile vessels at the MCT. However, it is important at the same time, that the services level, standard and efficiency at the MCT be upgraded to increase the competitiveness of Port Louis Harbour at the regional level with the ultimate objective to attract more business.

I wish to extend my thanks to our clients, Board members, Management, Union and staff for their contribution in the performance of the Authority.

My special thanks go to Dr. the Hon. Navinchandra Ramgoolam, G.C.S.K, F.R.C.P, Prime Minister, Minister of Defence, Home Affairs and External Communications, for his vision in the development of the port sector.

D.J. Maurice ALLET, C.S.K.
Chairman

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DIRECTOR-GENERAL'S REPORT

S. Suntah, B.Sc., M.Sc., FCILT
Director-General

The Mauritius Ports Authority has realized its best ever financial performance during Financial Year 2013, despite a reduction in total cargo traffic of around 4.4%. This remarkable achievement is the result of the strategies developed by the MPA over the recent years to firmly position Port Louis Harbour as a major regional Maritime and Logistics hub, more specifically in the Bunkering, Port related services, Seafood as well as in the Container transshipment and Cruise segments.

The total income derived for FY 2013 was Rs 1.33 billion compared to Rs 1.27 billion for the same period the previous year and the Authority has realized an unprecedented net surplus of Rs 612.4 million for the year under review compared with Rs 607.6 million for FY 2012.

A record figure of 3,652 vessel calls was registered for FY 2013, up 5.1% over FY 2012 (an increase of 38% compared to FY 2011). Some 1,855 vessels took bunker at Port Louis compared to 1584 in 2013 (+17%) out of which 689 vessels called only for bunker. 993 fishing vessels called in the harbour during 2013, an increase of 16.7% compared to the figure registered in FY 2012, whilst an increase of 7.2% was recorded for the number of container vessel calls (669 c.f. 624).

The Seafood sector has posted a growth of 10% in 2013 (from 134,763 tonnes to 148,297 tonnes) driven by the transshipment segment, which increased by 21.4%. On the other hand total cargo traffic contracted by 4.4% (6.8 m tonnes c.f. 7.1 m tonnes for 2012) and total container traffic witnessed a decrease of 7.7% as a result of a reduction in the container transshipment segment (-13.9%). This decrease is attributed to the fact that Maersk, one of the major shipping lines operating at Port Louis, has reduced its transshipment activities on account of poor productivity at the Mauritius Container Terminal. However, modest increases were recorded for the country's laden container imports (+0.4%) and exports (+0.8%).

The year 2013 was marked by subdued economic conditions. According to the IMF, Europe and the USA are slowly back on the path of recovery and it is forecasted that global economic growth will be around 3.1% in 2013 and 3.8% in 2014. The corresponding GDP growth in emerging economies and Africa are estimated at around 5.2% and 5.3% respectively for 2014.

Sub-Saharan Africa is projected to register sustained significant economic growth rates of more than 5 per cent per annum for the next 30 years. Its population is expected to almost double from 1 billion to 1.8 billion over the same period. This will trigger an explosion in trade from 513 million tonnes registered in 2010 to 3.6 billion tonnes by 2040, a sevenfold increase over the next thirty years. On the other hand, container growth is expected to average 10.6% per year up to 2020 and 7.9% from 2020 to 2040. This translates to an annual container traffic of 38 million TEUs in 2020 and 176 million TEUs by 2040, a staggering 14-fold increase.

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This will have a significant impact on transport demand within the Eastern and Southern African countries bordering the Indian Ocean. The sustained growth in trade between South America, Africa and Asia will also significantly increase shipping activity in the Indian Ocean, and this, for a long time ahead. It is reported that, already, 30% of global seaborne container trade and 60% of oil tankers transit via the Indian Ocean.

Shipping lines are already mobilizing large container vessels, of over 8,000 TEU capacity, in the region, which cannot be accommodated in most African Ports. Moreover, 11% of the existing container fleet and 47% of vessels on order are of greater than 10,000 TEU capacity. So it is very likely that those mega carriers will also be operating in the Indian Ocean in the not too distant future.

The strategy of the main Shipping lines is to tranship their cargo at hub ports with the required infrastructure, good service level and competitive tariffs so as to reduce their total logistics cost. Unless regional ports can meet these requirements, their local cargo will continue to be transshipped at other hub locations, resulting in higher transportation costs and thus jeopardizing the competitiveness of their exports. Already transport costs represent 30 to 40% of the cost of consumer products for some Indian Ocean Islands.

According to a Study published this year, intra-regional container trade market was of the order of 770,000 laden TEUs in 2012. 90% of this trade was transshipped at four transshipment hubs.

Although the Middle Eastern ports of Salalah and Jebel Ali are some 3,000 nautical miles away from our region, some 400,000 TEUs were transshipped there. Durban, which is another main feedering point for East Africa and the Indian Ocean Islands, handled some 120,000 TEUs, whilst Port Louis handled some 110,000 TEUs destined for the neighbouring islands, Australia and East Africa.

There are therefore tremendous development opportunities for Port Louis in the foreseeable future if it gears up to respond to the demands of the Shipping community, the more so that Mauritius is strategically located in the South West of the Indian Ocean, at the crossroads between the major maritime routes linking South America, Africa and Asia.

In December this year, Government presented a Road Map on the development of the Ocean Economy, which is expected to emerge as a new dynamic pillar of the Mauritian Economy, leveraging on the economic potential that can be harnessed from its vast Exclusive Economic Zone of nearly 2.0 million square kilometres and the additional 400,000 square kilometres co-managed with the Seychelles.

At present the Ocean Economy contributes about 10.8% to the country's GDP comprising mostly of activities related to maritime transport, fishing, seafood, hotels and restaurants. The Road Map sets out 7 initial clusters, including Seaport-related activities and Fishing/Seafood Processing, where actions will be focused on the short, medium and long term for timely implementation. It is forecasted that this economic pillar's share to GDP will increase to 14% in 2015 and 17% by 2020.

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The MPA has already embarked on a vast Port Modernization Programme to fast track the development of the Seaport related cluster of the Ocean Economy. In this respect, a total capital investment of the order of Rs 8.55 billion has been earmarked over the next five years (2014-2018).

The first phase of the major Project for the Extension and Strengthening of the Mauritius Container Terminal (MCT) berth and associated works, so as to accommodate large container vessels of over 8,000 TEUs, has already started since August 2013. The works for the Bund Wall construction, to enable land reclamation of 35 ha at Fort William and 4 ha at Fort George for future port development projects, will be completed by October next year at an estimated cost of Rs 365 million. The Marine and Civil works will be awarded by July 2014 and is scheduled for completion by the 3rd quarter of 2016. This component of the Project is estimated to cost around Rs 4.2 billion. As regards the dredging works to deepen the navigation channel from 14.5m to 16.5m depth, the contract would be awarded before the end of 2014 and executed over the period March – May 2015, at an estimated cost of Rs 790 million.

The Cargo Handling Corporation Ltd., with the support of Government and MPA, will be implementing urgent measures as from next year so as to improve its financial sustainability as well as its operational performance. The objective is to increase port productivity and make Port Louis more attractive to the major shipping lines for their container transshipment operations. The measures being implemented will ensure that CHCL has the required financial means to invest in modern container handling equipment, including ship to shore cranes and the Operator will be required to enhance its level of service, in line with international benchmarks, as from 2014.

Container Transshipment throughput is forecasted to increase from its current level of about 270,000 TEUs to 485,000 TEUs by 2020 and 745,000 TEUs by 2025. Maersk and other shipping lines have indicated that they would reconsider their regional transshipment strategy after the completion of the MCT Port Project in 2016.

The Cruise segment has registered a sharp decline since 2011 as a result of the global economic crisis, more particularly in the euro-zone. Moreover, Costa Crocière, which started its home porting activities from Port Louis since 2007, stopped its regional cruise operations as from 2012 following the loss of the Costa Concordia and the demobilization of the Costa Allegra after a major engine fire incident.

Fifteen (15) cruise vessels called at Port Louis in 2013 as compared to 23 in 2012 whilst the number of passengers on arrival increased marginally by 2.1% (16,313 compared to 15,974).

The target that has been set in the Ocean Economy Roadmap for the growth in cruise passenger traffic in the short and medium term is as follows: 20,000 visitors by 2015; 50,000 by 2020 and 100,000 by 2025. The Ministry of Tourism and MTPA have been tasked to lead the marketing campaign to promote the region as a cruise destination with Port Louis as home port. The MTPA and local stakeholders have agreed to work closely on this project in order to increase cruise traffic in Mauritius. It is also planned to attract new cruise segments, especially from Asia, considering the success of the various marketing campaigns being effected by MTPA in that region.

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In order to support this ambitious initiative, reception facilities at Port Louis will need to be further improved. In this respect, MPA will invest around Rs150 million for the construction of a cruise terminal building by 2016 at the Cruise Jetty.

Mauritius is geographically well positioned to emerge as a major regional bunkering and petroleum hub. This segment has registered significant growth over the recent years and it is anticipated that robust growth will be sustained over the next decade following the recent decision of Government to partially liberalise the import of petroleum products for bunkering. The MPA has already extended the Port limits in June this year to enable the anchorage of large vessels calling for bunker.

Furthermore, the Port Fees Regulations will be amended and new tariff incentives will be introduced to encourage more shipping lines to call at Port Louis for bunkering and other port related services.

The MPA is proceeding with the allocation of land in the port area to various promoters for the immediate construction of storage tanks for petroleum products. Some 8 hectares of uncommitted land have already been earmarked for this purpose and existing operators are being encouraged to convert their tanks for storage of bunker products.

The total storage capacity of petroleum products at Port Louis is accordingly expected to increase from 120,000 MT to over 280,000 MT. Moreover, an additional 4 hectares of land, to be reclaimed at Fort William in 2015, will be earmarked for petroleum storage, representing an additional storage capacity of 80,000 tonnes.

A new Port Master Plan Study will also be undertaken to take into consideration the new opportunities identified in the Ocean Economy Road map and will address the land use requirements for future port development projects. The prequalification exercise for the shortlisting of potential consultancy firms is expected to be launched around the first quarter of 2014. The consultancy contract will be awarded towards the third quarter of 2014 and the study is expected to be completed by the end of 2015.

Actions initiated under the Corporate Plan 2012-2014 focused on the need to develop strategies to transform Port Louis Harbour into a regional logistics hub providing world class port services through business excellence. The MPA will continue to strengthen its marketing drive and explore new business segments to promote Port Louis Harbour as a premier global Logistics and Cruise hub. The Authority is committed to work closely with the industry to ensure that Port Louis Harbour continues to offer safe, efficient, reliable, competitive and quality port services. A new Corporate Plan will be elaborated next year to chart the course of the Authority over the forthcoming three years (2015-2017).

I am confident that, with well planned strategies, good corporate governance coupled with the commitment and high sense of professionalism of all its employees, the MPA will be able to realise its corporate objectives.

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The commendable performance of the MPA during the course of 2013 was realised against the backdrop of a bearish economic environment and a deterioration in the service level at the Mauritius Container Terminal.

The years ahead will prove to be challenging with the implementation of the major projects in the pipeline and operational reform being engaged by the CHCL. On the other hand, the new business segments identified within the framework of the Ocean Economy initiative will enable the port to further diversify its portfolio of activities and ensure the financial and operational sustainability of the MPA in the long term.

I wish to acknowledge the support and patronage of our stakeholders and business partners, who even in difficult times, have stood by us and cooperated fully in the higher interest of the port.

To conclude, I wish to thank the Management team, staff and the Unions for their dedicated service and commitment.

I would also like to acknowledge the valuable contribution and collaboration extended by the Chairman and Board of Directors.

Above all, I wish to express my appreciation and gratitude to Dr. the Hon. Navinchandra Ramgoolam, G.C.S.K, F.R.C.P, Prime Minister, Minister of Defence, Home Affairs and External Communications, Minister of Rodrigues and Officers of the Ministry for their sound guidance and unflinching support.

S. SUNTAH
Director-General

PORT TRADE PERFORMANCE 2013

Key Figures at a Glance

TOTAL TRADE VOLUME	**(-4.4%)**	**6.8**	**Million Tonnes**
· Containerised Cargo	(-5.5%)	3.2	Million tonnes
· Dry Bulk Cargo	(-0.3%)	1.8	Million tonnes
· Liquid Bulk Cargo	(-5.8%)	1.5	Million tonnes
· Fish Traffic	(+10.0%)	148,297	tonnes

TOTAL CONTAINER TRAFFIC	**(-7.7%)**	**385,326**	**TEUS**
· Captive Container	(-3.9%)	248,948	TEUs
· Transhipment Container	(-13.9%)	136,378	TEUs
TOTAL CONTAINER THROUGHPUT	**(-10.2%)**	**517,768**	**TEUs**

VESSEL TRAFFIC	**(+5.1%)**	**3,652**	**Calls**
· Containerised Vessels	(+7.2%)	669	Calls
· Fishing Vessels	(+16.7%)	993	Calls

CRUISE TRAFFIC			
· Cruise Vessel		15	Calls
· Passenger on Arrival	(+2.1%)	16,313	
· Passenger on Departure	(+1.0%)	16,518	

CORPORATE INFORMATION AS AT DECEMBER 31, 2013

Board of Directors

- D.J.M. Allet (Chairman up to 16 July)
- T. Appadu (Chairman as from 25 July)
- S. Suntah
- V. Pareatumbee (Mrs.)
- J.J Lenaghan
- A. Capery (Mrs.)
- R. Jaddoo
- N. Akaloo
- Capt. W.T.C Wong Chung Toi

Board Committees

Staff Committee

- T. Appadu (Chairperson)
- S. Suntah
- A. Capery (Mrs.)
- R.G Ramnarain
- S. Moothoosamy (Mrs.)

Audit & Risk Management Committee

- S. Appanah (Mrs.) (Chairperson)
- A. Capery (Mrs.)
- N. Akaloo
- Capt. W.T.C Wong Chung Toi

Finance & Investment Committee

- S. Suntah (Chairperson)
- T. Appadu
- S. Moothoosamy (Mrs.)
- R.G Ramnarain

Land Lease Management Committee

- S. Suntah (Chairperson)
- T. Appadu
- J. Lau Yuk Poon (Mrs.)
- R. Bissessur (Mrs.)
- V. Seebun

Corporate Governance Committee

- R. Jaddoo (Chairperson)
- V. Pareatumbee (Mrs.)
- N. Akaloo
- Capt. W.T.C Wong Chung Toi

Senior Executives

- S. Suntah - Director-General
- A.D Bunwaree Ramsaha (Mrs.) – Deputy Director-General
- Capt. L.G Barbeau – Port Master
- S. Goburdhone – Director, Port Development
- S. Ganga - Director, Finance
- H. Kallee - Director, Port Operations
- N. Dawoodarry - Director, Administrative and Legal Services
- C. Rogbeer - Corporate Auditor
- L. Teeloku - Director, Human Resources
- R. Woottum - Director, IT Services
- B.B Dhunnoo - Manager, Technical Services
- G. Angad - Manager, Land Administration & Surveying

Head Office

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Email: info@mauport.com

External Auditors

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Chartered Accountants
9th Floor Les Bacha
Cathedral Square
Port Louis

Tel: (+230) 208 8324
Fax: (+230) 208 2146
Email: bachaa@intnet.mu

CORPORATE GOVERNANCE REPORT

The Board of Directors

The Board of Directors ('The Board') 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 organization's affairs and maintaining the highest standards of governance whilst meeting the interests of its stakeholders and enhancing the financial performance of the MPA. In its advisory role it provides strategic guidance and oversight of management.

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 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 comprising the following members in 2013:

Chairperson
- Mr. M. Allet, C.S.K (up to 16 July 2013)
- Mr. T. Appadu (as from 25 July 2013)

Members
- Mr. T. Appadu - Representative of the External Communications Division of the Prime Minister's Office
- Mr. S. Suntah – Director-General, Mauritius Ports Authority
- Mrs. S. Appanah – Representative of the Ministry of Finance & Economic Development (up to September 2013)
- Mrs. V Pareatumbee - Representative of the Ministry of Finance & Economic Development (as from October 2013)
- Mr. J.J Lenaghan – Director of Customs, Mauritius Revenue Authority
- Mr. R.G Ramnarain – Representative, Mauritius Revenue Authority
- Mrs. A. Capery - Representative of the Ministry of Labour, Industrial Relations & Employment
- Mr. M. Cheeroo – Representative of commercial, shipowning and other users' interests (up to November 2013)
- Mr. R. Jaddoo – Representative of commercial, shipowning and other users' interests (as from December 2013)
- Mr. N. Akaloo - Representative of commercial, shipowning and other users' interests
- Capt. W.T.C Wong Chung Toi - Representative of commercial, shipowning and other users' interests

DIRECTORS' PROFILES

Mr. D.J. Maurice ALLET, C.S.K

Chairman

Appointed as Chairman of the Mauritius Ports Authority since 1 April 2011, Mr. Daniel Jean Maurice Allet, C.S.K., reckons a vast experience in the port, having joined the United Docks as early as 1969. He gradually progressed in his career up till his retirement as Branch Manager of the Albion Docks in 2009.

Mr. Allet, as a trade unionist, held for several years the post of President of the Docks and Wharves Staff Employees Association in the 80's. He was also actively involved in politics and was elected as Member of the National Assembly, as the representative of Beau Bassin/Petite Rivière constituency for almost ten years from 2000 to 2010. Mr. Allet was Leader of the Parti Mauricien Social Democrate (PMSD) from 2000 to 2009 and is currently the President of the PMSD.

On 12 March 2011, Mr. Allet was elevated to the rank of Commander of the Star and Key of the Indian Ocean (C.S.K).

Mr. M. Allet served as Chairman on the Board of the Mauritius Ports Authority from April 2011 to July 2013.

Mr. Tamanah APPADU

Representative of the External Communications Division of the Prime Minister's Office

Mr. Tamanah Appadu who is presently the Permanent Secretary at the External Communications Division of the Prime Minister's Office holds a Diploma in Public Administration and Management from the University of Mauritius. He started his career in the public service in 1978 serving in different grades in various ministries and departments.

He is also the holder of an MSC in Public Sector Management and a member of the Chartered Institute of Logistics and Transport.

He sits on the Board of the Mauritius Ports Authority as Representative of the External Communications Division of the Prime Minister's Office since June 2012.

Mr. Shekur SUNTAH

Director-General

Mr. Shekur 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 M.Sc. (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 transhipment, 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. Sadhna APPANAH

Representative of the Ministry of Finance & Economic Development

Mrs. Sadhna Appanah, Senior Analyst at the Ministry of Finance & Economic Development is presently Team Leader of the Public Sector Investment Programme (PSIP) Unit. She joined the Ministry in 1999 and has since been directly involved in the formulation and preparation of the National Budget, particularly the capital investment programme. She was Team Leader for the Public Infrastructure Sector from July 2006 to August 2008 and has had valuable contribution in the preparation of the Programme Based Budget for that sector. She is a member of the Project Plan Committee (PPC) set up in February 2009. The PPC is responsible for the assessment of the infrastructure needs of the country in view of developing an investment project pipeline for the medium to long term.

Mrs. Appanah has successfully completed her Masters in Business Administration (MBA) Finance (with Distinction) in July 2005 with the University of Leicester, UK after obtaining a Bachelor of Arts (BA) in Economics and Management Studies from the Napier University, Edinburgh. She was awarded the prize of Best Student MBA Programme for 2004-2005 in recognition of her excellent scholarly performance.

Mrs. Appanah served on the Board of the Mauritius Ports Authority from September 2006 to September 2013.

Mrs. Vailamah PAREATUMBEE

Representative of the Ministry of Finance & Economic Development

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

Mrs. Vailamah Pareatumbee, who is presently Lead Analyst at the Ministry of Finance, has vast experience in the Civil Service which she joined in 1980 and throughout her career she has performed in various capacities 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 Director on the Board of the Mauritius Ports Authority as from October 2013.

Mr. James J. LENAGHAN

Director of Customs, Mauritius Revenue Authority (MRA)

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 & 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 & 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 been a member of the Board of Directors of the MPA since June 2012.

Mrs. Amrita CAPERY

Representative of the Ministry of Labour, Industrial Relations & Employment

Mrs. Amrita Capery holder of a Diploma in Personnel Management from the University of Mauritius joined the public service in October 1972 and was promoted Principal Assistant Secretary in July 2001. She pursued higher studies and obtained a Post Graduate Diploma in Administrative Leadership in 1996, and subsequently a Masters Degree in Professional Studies (Education) in 1998 from the University of New England, Armidale, Australia. She was also awarded a faculty medal by the University of New England.

Mrs. Capery has served in a number of Ministries, including those of Public Infrastructure, Health, Social Security, Housing and Lands, Finance and Economic Development and the Gender Equality, Child Development and Family Welfare.

She is presently Deputy Permanent Secretary at the Ministry of Labour, Industrial Relations and Employment.

She has represented various Ministries on Boards and Committees and sits on the Board of Directors of the Mauritius Ports Authority as from June 2012.

Mr. Mahmood CHEEROO

Representative of commercial, shipowning & other users' interests

Mr. Mahmood Cheeroo holds a PhD in Development Economics (Politiques et Programmation du Développement) from the University of Paris (Sorbonne). Prior to that, he obtained his Bachelor's degree and Masters in Macro-economic studies from the University of Reims, France. He is also holder of a post-graduate diploma from the Centre d'Etudes Financières, Economiques et Bancaires (Paris).

He began his career as Economist in the Ministry of Finance before moving on to the Ministry of Economic Planning and Development. He then joined the State Trading Corporation before coming back to the Ministry of Economic Planning and Development as Economic Adviser. He finally shifted to the Mauritius Chamber of Commerce and Industry as Deputy Secretary-General in 1994 before his appointment as Secretary-General in 2000. He has undertaken consultancy works for many regional and international organizations like World Bank, USAID, ACCT, UNDP and SADC. He has also been Chairman of the "Institut de la Francophonie pour l'Entrepreneuriat", the Stock Exchange Commission of Mauritius and the National Handicraft Promotion Agency.

He was the Chairman of the Port Users' Council up till April 2013, Commissioner for Economic Affairs at the National Economic and Social Council, and Board Member of several companies.

Mr. Cheeroo served on the Board of the Mauritius Ports Authority from July 2007 up to November 2013.

Mr. Raju JADDOO

Representative of commercial, shipowning & other users' interests

Mr. Jaddoo is currently the Secretary General of the Mauritius Chamber of Commerce and Industry (MCCI).

A Fellow of the Institute of Chartered Accountants in England & Wales, Mr. Jaddoo was a former partner of De Chazal Du Mee, having served the firm for 15 years prior to becoming the CEO of the Board of Investment. In his latter position, he was engaged in a series of reforms to improve the ease of doing business and in establishing a robust FDI policy which has led the country to benefit from sustained inflows into new pillars of the economy.

Mr. Jaddoo stood as alternate to Mr.Cheeroo whom he replaced as from November 2013.

Mr. Navneet AKALOO

Representative of commercial, shipowning & other users' interests

Mr. Navneet Akaloo holds a graduate degree in International Studies from Iona College, New York, United States of America. He started his career in New York City as a banker for the American Express Bank where he was responsible for the African desk with extensive travel to the African continent. Subsequently he was posted to the American Express bank in Paris and was given the business development strategy and plan for onshore and offshore oil drilling and letters of credit for specialized equipment. Cross currency transactions for the Nigerian oil corporation was also part of his responsibility.

Mr. Akaloo has a wide range of experience in different sectors of the economy. He has been in the tourism sector for the past twenty years where he is presently a Company Director. Concurrently, he is also in the property development sector with commercial holdings, and manages agricultural assets. Mr. Akaloo has been a freelance reporter at the Mauritius Broadcasting Corporation. He is presently a member of the Board of the Authority.

Capt W.T.C WONG CHUNG TOI

Representative of commercial, shipowning & other users' interests

Captain Wong Chung Toi, who holds a Master's (Foreign Going) Certificate (UK) and a MSC from the World Maritime University (Malmö), started a fruitful career spanning over 14 years at sea, sailing mostly on general cargo and passenger vessels and occupying various positions including that of Master. 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 Programme 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.

BOARD COMMITTEES

In order to effectively manage the work of the Board, provide emphasis on specific strategic initiatives and strengthen its governance role, the Board assigned specific responsibilities to Board Committees.

The role of the Committees is foremost to review and monitor policies, under the guidance and with ratification of the Board. Each Committee has its own terms of reference which define their roles and duties. The following Committees enhance the decision-making process of the Authority and facilitate the efficient role of information and implementation of policies between the Board and the Management:

1. Staff Committee

The Staff Committee considers and determines establishment matters relating to the recruitment, appointment, promotion and development of staff as well as terms and conditions of employment of personnel in general. All recommendations made by the Staff Committee in regard to the establishment and conditions of employment are approved by the Board. The membership of the Committee is constituted as follows:

Chairperson	• Mr. T. Appadu - Representative of the External Communications Division of the Prime Minister's Office
Members	• Mr. S. Suntah - Director-General, Mauritius Ports Authority
	• Mrs. A. Capery - Representative of the Ministry of Labour, Industrial Relations and Employment
	• Mr. R.G Ramnarain - Representative of Director of Customs, Mauritius Revenue Authority
	• Mrs. S. Moothoosamy - Representative of commercial, shipowning and other users' interests
Secretary	• Mr. M. Moloo - Manager, Human Resources

2. Audit & Risk Management Committee

The Audit and Risk Management Committee reviews issues of accounting policy, monitors the work of the internal audit function and ensures that an objective and professional relationship is maintained with the external auditors. The Committee has full access to both the internal and external auditors and its detailed responsibilities are set out below:

- Practices and procedures which will promote productivity and the quality and volume of service
- The extent to which the objectives of the Authority are being achieved
- The adequacy, efficiency and effectiveness of the accounting and internal control structure and systems of the Authority
- Reviews and advises the Board on the financial statements that are to be included in the Annual Report of the Authority
- Oversees internal audits of the Authority
- Reviews and advises the Board on the annual External Auditors' Report
- Advises on policies regarding risk assessment and risk management

The Audit Committee maintains detailed records of its meetings which are made available to the External Auditors and circulated to the Board as and when required.

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

Chairperson
- Mrs. S. Appanah – Representative of the Ministry of Finance & Economic Development

Members
- Mrs. A. Capery – Representative of the Ministry of Labour, Industrial Relations and Employment
- Mr. N. Akaloo – Representative of commercial, shipowning and other users' interests
- Capt. W.T.C Wong Chung Toi – Representative of commercial, shipowning and other users' interests

Secretary
- Mr. V. Rughoonauth – Manager, Administrative Services

3. Finance & Investment Committee

The Finance & Investment Committee comprises four members who make recommendations to the Board on different financial matters such as procurement, investment, forex and treasury management. It is also responsible for the formulation of financial policies to safeguard the Authority's interests. Membership of the Committee is as follows:

Chairperson
- Mr. S. Suntah - Director-General, Mauritius Ports Authority

Members
- Mr. T. Appadu – Representative of the External Communications Division of the Prime Minister's Office
- Mrs. S. Moothoosamy – Representative of commercial, shipowning and other users' interests
- Mr. L. Babajee – Representative of Customs, Mauritius Revenue Authority (up to August 2013)
- Mr. R. G Ramnarain – Representative of Customs, Mauritius Revenue Authority (as from September 2013)

Secretary
- Mr. V. Rughoonauth – Manager, Administrative Services

4. Land Lease Management Committee

The Land Lease Management Committee, which regroups three external members, two Board members and senior MPA officials makes recommendations on new lease applications, renewal of current leases whilst setting/reviewing guidelines and procedures for land allocation.

The Committee is constituted as follows:

Chairperson
- Mr. S. Suntah - Director-General, Mauritius Ports Authority

Members
- Mr. T. Appadu - Representative of the External Communications Division of the Prime Minister's Office
- Mrs. F. Maudarbocus Moolna - Chief State Attorney, State Law Office (up to August 2013)
- Mrs. J. Lau Yuk Poon – Ag. Assistant Solicitor-General (as from

September 2013)

- Mrs. R. Bissessur - Ag. Director, Valuation & Real Estate Consultancy Services, Valuation Office Department
- Mr. V. Seebun - Ag. Chief Surveyor, Ministry of Housing & Lands
- Mrs. A.D. Bunwaree Ramsaha - Deputy Director-General, MPA
- Capt. B. Barbeau - Port Master, MPA
- Mr. S. Goburdhone - Director, Port Development, MPA
- Mr. H. Kallee - Director, Port Operations, MPA
- Mr. N. Dawoodarry - Director, Administrative & Legal Services, MPA
- Mr. G. Angad - Manager, Land Administration & Surveyin

Secretary
- Mr. V. Rughoonauth - Manager, Administrative Services

5. Corporate Governance Committee

The main attributes of the Corporate Governance Committee is to provide guidance on aspects of corporate governance to the Board for recommending the adoption of policies and best practices as appropriate for the Authority.

Both the Audit & Risk Management Committee and the Corporate Governance Committee complement each other to bring a better culture into the organisation and to provide a higher level of professional practices that safeguards businesses from any defaults, fraud, inefficiencies, etc.

This Committee enables the MPA to effectively perform its activities in line with the principles of Accountability, Responsibility, Transparency and Fairness. It also monitors structures, processes for decision-making, control and behaviour at various managerial levels.

The Corporate Governance Committee is constituted as follows:

Chairperson
- Mr. R. Jaddoo – Representative of commercial, shipowning and other users' interests

Members
- Mrs. S. Appanah - Representative of the Ministry of Finance & Economic Development (up to September 2013)
- Mr. N. Akaloo – Representative of commercial, shipowning and other users' interests
- Capt. W.T.C Wong Chung Toi – Representative of commercial, shipowning and other users' interests

Secretary
- Mr. N. Dawoodarry - Director, Administrative & Legal Services

Attendance at Board and Committee Meetings

There were nine (9) scheduled meetings of the Board for the 2013 financial year. The Board committees met in advance of the Board meetings and responded to matters within the 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	9	12	2	10	9	1
Chairperson Mauritius Ports Authority						
Mr. M Allet, C.S.K	4					
Mr. T Appadu	5					
Representative of The External Communications Division of The Prime Minister's Office						
Mr. T Appadu	3	8		8	9	
Mauritius Ports Authority Mr. S Suntah	9	12		10	9	
Ministry of Finance & Economic Development Mrs. S Appanah	3		2			
Mrs. V Pareatumbee	3					
Customs Department – Mauritius Revenue Authority Mr. L Babajee				7		
Mr. J.J Lenaghan	5					
Mr. R.G Ramnarain	3	10		3		
Representative of Ministry of Labour, Industrial Relations & Employment						
Mrs. A Capery	9	11	2			
Representative of State Law Office						
Mrs. F Maudarbocus Moolna					3	
Mrs. J. Lau Yuk Poon					2	
Representative of Ministry of Housing & Lands						
Mr .V Seebun					9	
Representative of commercial & shipowning & other users' interest						
Mr. M Cheeroo, G.O.S.K	2					
Mr. N Akaloo	9		1			1
Mrs. S Moothoosamy	1	10		6		
Capt W.T.C Wong Chung Toi	9		2			1
Mr. R Jaddoo	5					1
Representative of Valuation & Real Estate Consultancy Services						
Mrs. R Bissessur					8	

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 2,263,496 was paid to members of the Board and subsidiary Committees of the Board during the year 2013. In accordance with the disclosure requirements under the Code of Corporate Governance, details of the remuneration payable to the Board of Directors and fees derived by MPA Officers sitting on board of statutory bodies and companies for the reporting period are shown below:

Fees paid to members of the Board and Subsidiary Committees in 2013

	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. M. Allet, C.S.K	609,496	-	-	-	-	-	609,496
Mr. T. Appadu (Board Member)	60,000	20,000	-	20,000	16,000	-	116,000
Mr. T. Appadu (Chairperson)*	390,000	-	-	-	-	-	390,000
Mrs. S. Appanah	84,000	-	8,000	-	-	-	92,000
Mrs. V. Pareatumbee	36,000	-	-	-	-	-	36,000
Mr. J. J. Lenaghan	96,000	-	-	-	-	-	96,000
Mrs. A. Capery	144,000	44,000	8,000	-	-	-	196,000
Mr. N. Akaloo	144,000	-	4,000	-	-	4,000	152,000
Mr. M. Cheeroo, G.O.S.K	48,000	-	-	-	-	-	48,000
Capt W.T.C. Wong Chung Toi	144,000	-	8,000	-	-	4,000	156,000
Mr. R. Jaddoo	72,000	-	-	-	-	4,000	76,000
Mrs. S. Moothoosamy	12,000	40,000	-	24,000	-	-	76,000
Mr. L. Babajee	12,000	-	-	32,000	-	-	44,000
Mr. R.G. Ramnarain	36,000	48,000	-	8,000	-	-	92,000
Mrs. F. Maudarbocus Moolna	-	-	-	-	12,000	-	12,000
Mrs. J. Lau Yuk Poon	-	-	-	-	8,000	-	8,000
Mrs. R. Bissessur	-	-	-	-	32,000	-	32,000
Mr. V. Seebun		-	-	-	32,000	-	32,000
TOTAL	1,887,496	152,000	28,000	84,000	100,000	12,000	2,263,496

** Mr. T Appadu was appointed as Chairperson of the Board from July 2013 to December 2013*

Representation of MPA Officers on board of statutory bodies and companies - 2013

Company	Director	Date of Appointment	Total fees for 2013 (Rs)	Alternate	Date of Appointment	Total fees for 2013 (Rs)
Cargo Handling Corporation Ltd	Mr. S. Suntah, Director-General	15.09.08	147,000	Mrs. A.D Bunwaree Ramsaha, Deputy Director-General	15.09.08	Nil
	Mr. H. Kallee, Director, Port Operations	15.09.08	114,000	Mr. S Goburdhone, Director, Port Development	15.09.08	3,000
Froid des Mascareignes Ltée	Mr. S Suntah, Director-General	15.09.08	6,000	-		Nil
	Mrs. A.D. Bunwaree Ramsaha, Deputy Director-General	13.06.12	6,000	Mr. S Goburdhone, Director, Port Development	15.09.08	Nil
State Property Development Co Ltd	Mr. S. Suntah, Director-General	15.09.08	84,000	Mr. S Goburdhone, Director, Port Development	15.09.08	Nil
Les Moulins de la Concorde Ltée	Mr. S. Suntah, Director-General	15.09.08	63,000	-		Nil
Maurinet Investment Ltd	Mrs. A.D. Bunwaree Ramsaha, Deputy Director-General	15.09.08	113,000	Mr. S Ganga, Director, Finance	15.09.08	Nil
	Mr. S. Goburdhone, Director, Port Development	15.09.08	113,000	Mr. R Woottum, Director, IT Services	15.09.08	Nil
Mauritius Network Services Ltd	Mrs. A.D. Bunwaree Ramsaha, Deputy Director-General	15.09.08	120,000	Mr. H Kallee, Director, Port Operations	15.09.08	Nil
Mauritius Cargo Community Services	Mr. S. Suntah, Director-General	15.09.08	182,500	Mrs. A.D Bunwaree Ramsaha, Deputy Director-General	15.09.08	Nil
Mauritius Shipping Corporation Ltd	Mr. K.K. Chan Shin Yu, Manager, Marine Engineering	15.09.08	12,375	Mr. N Dawoodarry, Director, Administrative & Legal Services	15.09.08	2,250
State Trading Corporation	Mr. C. Rogbeer, Corporate Auditor	15.09.08	64,650	Mr. N Dawoodarry, Director, Administrative & Legal Services	15.09.08	Nil
Seafarers Welfare Fund	Mr. K.K. Chan Shin Yu, Manager, Marine Engineering	11.04.12	40,045	Mr. H Kallee, Director, Port Operations	15.09.08	Nil
Mauritius Oceanographic Institute	Captain L.G. Barbeau, Port Master	18.06.12	8,350	-	-	Nil

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

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, Bacha & Bacha 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.

D.J.Maurice ALLET, C.S.K.
Chairperson

S. SUNTAH
Director-General

MPA MANAGEMENT CONSTITUTION AND PROFILE

Director-General	Mr. S. Suntah	s.suntah@mauport.com
Deputy Director-General	Mrs. A.D. Bunwaree Ramsaha	a.ramsaha@mauport.com
MARINE		
Port Master	Captain L.G. Barbeau	l.barbeau@mauport.com
Assistant Port Master	Captain K. Newoor	k.newoor@mauport.com
Assistant Port Master	Captain T.Saugur	t.saugur@mauport.com
FINANCE		
Director, Finance	Mr. S. Ganga	s.ganga@mauport.com
Manager, Management Accounting	Mrs. P. Keesonah	p.keesonah@mauport.com
Manager,Financial Accounting	Mr. S.A. Soyjaudah	a.soyjaudah@mauport.com
Manager, Procurement	Mrs. P.R.K. Seebaruth	p.seebaruth@mauport.com
PORT DEVELOPMENT		
Director, Port Development	Mr. S. Goburdhone	s.goburdhone@mauport.com
Manager, Port Development	Mr. S. Seelochun	s.seelochun@mauport.com
PORT OPERATIONS		
Director, Port Operations	Mr. H. Kallee	h.kallee@mauport.com
Manager, Port Operations	Mrs. N. Seebaluck	n.seebaluck@mauport.com
Manager, Licensing & Concessions	Mr. G. Seewoopersad	g.seewoopersad@mauport.com
ADMINISTRATIVE & LEGAL SERVICES		
Director, Administrative & Legal Services	Mr N. Dawoodarry	n.dawoodarry@mauport.com
Manager, Administrative Services	Mr. V. Rughoonauth	v.rughoonauth@mauport.com

INTERNAL AUDIT		
Corporate Auditor	Mr. C. Rogbeer	c.rogbeer@mauport.com
Internal Auditor	Mrs. L. Rugbur	l.rugbur@mauport.com
Manager, Audit Risk	Mrs. M. Jankee Bhurtun	m.bhurtun@mauport.com
HUMAN RESOURCES		
Director, Human Resources	Mr. L. Teeloku	l.teeloku@mauport.com
Manager, Human Resources (IR, Welfare, Benefits)	Mr. M. Moloo	m.moloo@mauport.com
Manager, Human Resources (Training/Development)	Mrs. P. Gungaram	p.gungaram@mauport.com
IT SERVICES		
Director, IT Services	Mr. R. Woottum	r.woottum@mauport.com
Manager, IT Services	Mr. A. Nawool	a.nawool@mauport.com
TECHNICAL SERVICES		
Manager, Technical Services	Mr. B.B. Dhunnoo	b.dhunnoo@mauport.com
LAND ADMINISTRATION & SURVEYING UNIT		
Manager, Land Administration & Surveying	Mr. G. Angad	g.angad@mauport.com
PORT MATHURIN – RODRIGUES		
Officer-in-Charge	Captain J.G.M Mallet	gilbert.mallet900@gmail.com

PROFILES OF SENIOR EXECUTIVES

Mr. S. SUNTAH

Director-General

Mr. Shekur 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 M.Sc. (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 transhipment, 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. A. D. BUNWAREE-RAMSAHA

Deputy Director-General

Mrs. Bunwaree-Ramsaha graduated in 1992 and subsequently became a member of 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 Masters 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.

CAPTAIN L.G. BARBEAU

Port Master

Capt. L.G. 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.

Mr. S. GOBURDHONE

Director, Port Development

A graduate in Civil Engineering in 1987 from the University of Mauritius, Mr. Goburdhone read for a Masters 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 December 2010, he was appointed as Director, Port Development.

Mr. S. GANGA

Director, Finance

Mr. Ganga is a Fellow of the Association of Chartered and Certified Accountants (FCCA) and holds an MBA with specialization 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. H. KALLEE

Director, Port Operations

Mr. Kallee is a Member of the Chartered Institute of Logistics and Transport and holds a Diploma in Port Operations and Management.

Mr. Kallee took up employment in the Government Service in 1973 as Customs & Excise Officer. He then joined the Authority as Cargo Supervisor in 1977, and was promoted Traffic Officer in 1981. Subsequently, he was appointed Assistant Traffic Manager in 1998, before being promoted Operations & Commercial Manager in 2005.

Mr. Kallee was appointed as Director, Port Operations, in December 2010.

Mr. N. 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 Masters 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 took employment with the then Mauritius Marine Authority in 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. C. 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. L. TEELOKU

Director, Human Resources

Mr. Teeloku is holder of a Diploma in Public Administration and Management and a Diploma in Personnel Management from the University of Mauritius.

He first joined the former Marine Services Department in 1973 as Clerical Officer. In 1977 he was appointed Accounts Clerk and Assistant Secretary in 1987. He moved to the position of Personnel Officer in 1990 and was subsequently promoted Human Resources Manager of the Authority in 1994.

As from December 2010, he is now Director, Human Resources.

Mr. R. WOOTTUM

Director, IT Services

Mr. Woottum holds a Bachelor's Degree from the University of Mauritius. He also holds a Masters 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. B.B 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 Masters 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. G. 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 Masters 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

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. This 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, 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.

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 implemented the International Ships and Port Facility Security (ISPS) Code to:

- ensure compliance with all relevant security legislations;
- maintain a Security Committee, which meets 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 centralized surveillance control room on a 24/7 basis.

In addition to the MPA's port security plan, other port facilities and port service providers need to have 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.

This Policy Statement enables 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.

CORPORATE MATTERS

LEGAL STRENGTHENING

The Authority is currently working on a number of regulations, namely the Ports (Security) Regulations and the Ports (Licensing) Regulations, with the objective of strengthening the legal framework in order to effectively carry out its functions of port regulator and controller.

Under Section 65 of the Ports Act 1998, the MPA may, with the approval of the Minister, make regulations for the maintenance, control and management of a port and for the maintenance of good order therein and generally, for carrying out the purpose of the Ports Act with respect to licensing of port operations & services, port security, protection of the environment, movement and stay of vessels in the port amongst others. Following consultations with port stakeholders and the assistance of the State Law Office (SLO), prepared an updated set of regulations, which pertains to port operations, safety, licensing and security aspects with separate schedules addressing individual port needs.

Under the security aspect in the port area, which is of paramount importance, the Authority is mandated to enforce maritime conventions/regulations ratified by Mauritius. The Authority is therefore required to follow and adhere to all regulatory instruments that are being adopted in the maritime industry for safe carriage and storage of goods, the more so, that the MPA has to be kept abreast of the recommendations made under various conventions for safe ships and clean oceans. It should be noted that MPA is ISPS compliant since 1 July 2004. During 2013, the MPA fulfilled its regulatory responsibilities through a number of activities and ensured the safety and security of all vessels navigating in the port waters. However, to give full effect to the mandatory provisions as contained in the ISPS Code, the MPA is currently finalizing with the State Law Office, the Ports (Security) Regulations to reinforce security both on the ship to shore interface and ashore.

As regards its licensing obligations, the Authority issues different types of licences with general conditions as well as specific ones in line with the Ports (Issue of Licenses) Regulations 1983.

With the dynamic port environment, it has been found necessary for the Authority to review the present Regulations, so as to provide, in line with best practices, a non-discriminatory, consistent and transparent framework for the issue of licences to private operators/service providers and at the same time safeguard the interests of the port.

A draft Ports (Licensing) Regulations was accordingly prepared and submitted to the SLO for legal vetting in November 2013 prior to submission to the MPA Board for endorsement and approval by the Prime Minister and subsequent promulgation.

The new regulations, when promulgated, will cater for the development that have occurred in port security and licensing including new legal parameters in the handling and transport of goods in the port area.

EMBRACING A QUALITY CULTURE

MPA was awarded the ISO 9001:2000 in 2004 by the Mauritius Standards Bureau

(MSB) and this certification was subsequently upgraded to ISO 9001:2008 in 2010. Recertification of our ISO 9001:2008 following an external audit by the MSB in December 2013 was a reflection of the close attention MPA pays to quality services and the focus on continuous improvement of our processes and systems. In evaluating the Authority's progress, the MSB auditors were looking for evidence that, as well as maintaining its systems, MPA was also showing that it is continuously improving its services and activities. The feedback from the survey was very positive and MPA will continue to ensure further improvements in these critically important areas.

As part of our commitment to continuous improvement, customer focus and compliance with regulatory and statutory requirements, the Authority's quality policy is based on the principles that identify, manage and evaluate our key business activities, and reduce process, people, and health and safety risks.

Continuous improvement is about doing things better and smarter ensuring progress on a continual basis. In this context, the Corporate Quality Unit organised a training for messengers in August 2013 to make them aware of the importance of good housekeeping practices at the MPA. It was emphasised during the training that effective housekeeping practices impact directly on customer services. Following this training it was ascertained that the messengers required further training by a professional firm. The Head Office Care Attendants and Office Care Attendants accordingly followed another training course: *Essential Skills for Messengers and Office Attendants* delivered by Softskills Consultants on 16 and 29 October 2013 respectively. A survey was also undertaken to assess the overall level of cleanliness, hygiene and sanitation at the MPA. Interviews and observations were carried out with employees to gather feedback on the level of satisfaction regarding the overall cleanliness of the offices and MPA premises/ buildings.

Quality management system is applied throughout the organisation through the review and updating of all applicable documents. SOPs for the Marine Department, for instance, would be reviewed after a risk management activity or the acquisition of new tugs which incorporates new automated procedures or new technologies. On the other hand, the MPA would take strategic decisions in respect of quality, namely to achieve ISO 9004, ISO 14001 and ISO 27002 in the coming months.

HR AND TRAINING

Recruitment and Selection

In line with recommendations contained in the HRD Report 2010 and the approved establishment, action was taken for the recruitment of a Manager (Audit Risk) within the context of good corporate governance and risk management. The Technical Services Department was also provided with appropriate technical staff in respect of Fitting/ Maintenance functions.

Additionally, with a view to responding in an efficient and effective manner to port security exigencies, action was initiated for the recruitment of 24 Port Security Guards. The additional staff would be redeployed for a close monitoring of the port areas and vulnerable sites.

Performance Management System

In the context of the implementation of the PMS Project, a series of training activities has been carried out by the HR Department in collaboration with the consultants, Messrs. KPMG Advisory Services during year 2013.

Additional awareness workshops were carried out in early 2013 with a view to explaining the concept and benefits of the project to a wider audience. Employees were given the opportunity to participate in the design and customization of Performance Management tools and templates to suit the needs of the Authority.

Most importantly, training sessions on PMS coaching and mentoring techniques have been delivered to potential appraisers, who will be called upon to evaluate performance.

The Performance Management System will be tested in all departments by end 2014.

Training & Development

To-day's maritime sector is facing many emerging challenges as regards safety, security and environmental management brought about by radical changes in standards, information systems and restructured shipping services. This requires human skills to be continuously developed both through training and retraining to respond to these changes. Moreover to palliate to an ageing workforce, a proper training plan needs to be put in place to ensure efficient transfer of skills and expertise.

A structured training plan specifying the requirements in terms of training for MPA employees has been finalized. The training needs have been consolidated into a list of training courses with a view to ensuring that all staff is provided with adequate and meaningful training. The plan will be implemented over a two–year period 2014-2015.

Implementation of ICT Strategic Plan

The MPA has, in accordance with the ICT Strategic Plan 2011–2015 embarked upon the implementation of phase 0 of the plan. The key objectives behind the implementation of the above are to:

- consolidate the existing IT servers on a centralised, highly available, redundant and modular Blade Server System;
- consolidate the Server storage on a Storage Area Network in order to gain in terms of performance, availability and manageability;
- upgrade the existing mail system; and
- provide a reliable Enterprise Resource Planning system.

Tenders were accordingly launched for the Supply, Installation and Commissioning of an ERP System and at the closing date of 5 November 2012, bids were received from six prospective firms. A Bid Evaluation Committee was set up to assess the bids and make recommendations to Management.

Following a 3-stage evaluation process, the MPA finally awarded the contract for the implementation of Phase 0 to Messrs. De Chazal Du Mee Consulting Ltd at the total price of Rs 58 million inclusive of VAT and of a 3 year maintenance period.

The Contractor mobilized at the MPA as from 4 November 2013 and the overall project is expected to be completed by July 2014.

Internal Audit & Risk Management

The MPA has shown its commitment to risk governance in the pursuit of its vision for Port Louis Harbour to be *"a regional logistic hub providing world class port services through business excellence"* by establishing a risk management function (RMF) within the internal audit department, aiming at institutionalising risk management in the Authority's corporate strategy and organisational culture. The Audit Committee has thus been reconstituted as the Audit & Risk Committee and a Manager Audit (Risk) was recruited in February 2013.

The rationale of the risk functions is to provide a roadmap towards developing proactive strategies to ensure that every effort is made to appropriately manage risks that may have a bearing on port operations.

Implementation of the Risk Management Framework

The risk function is currently working towards initialising a risk management framework to regularly identify, assess and evaluate risks in all departments, with a much wider perspective than simply worker safety and ultimately come up with a risk register for the Authority. The framework should cover risks related to physical assets; infrastructure; superstructure; operational activities; human resources; technology (ICT, equipment); business continuity (what if- Plan B); financial activities and credibility of an organisation (provision of world class service). In a nutshell, the entire process is about preventing threats from happening, reducing exposure to threats, ensuring early detection, developing contingency plans and hedging against identified threats.

The main principles adopted for ensuring success in the endeavour undertaken by the Authority are:

- **Responsibility:** recognising that operations entail business risk and risk management is everyone's responsibility.
- **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

A Risk Charter outlining the objectives, processes, accountabilities, reporting mechanism, has been formulated for providing guidance and serving as a reference point to ensure that a common understanding of what is to be accomplished is shared by all stakeholders. This Risk Charter, being an approved document by the Board of Directors of the Authority is intended to embed risk management in the MPA's corporate strategy by incorporating same in the Authority's daily operations and practices, with each stakeholder bearing defined related duties and responsibilities.

Even though Risk Management is about having everyone on board in deciding how to meet goals and where to deploy scarce resources for the best outcome, the responsibility for the application of the structured approach and implementation of effective management of strategic and operational risks lies with the Management team, both individually and collectively. Head of Departments are expected to collaborate fully to develop and ensure implementation of risk management strategies for their respective departments in accordance with stated tolerance level set by the Board.

Whilst the risk function has the responsibility of assisting the Board, Management, Head of Departments and risk champions in meeting their roles and responsibilities under this policy; and maintaining a risk register comprising the major risks and actions plans to be periodically communicated to the Audit and Risk Committee.

Risk management is currently at its infancy stage at the MPA. Following the commitment undertaken by the Board, a brainstorming session has been conducted with Management whereby each Head of Department has been entrusted the responsibility to bring his contribution in identifying the most important port risks that could prevent the MPA from meeting its objectives as well as identifying the underlying causes (why & how) and the eventuality (when) of them occurring.

In a second instance, all documented risks will be evaluated in terms of their likelihood of occurrence and significance of impact for determining their risk score to be ultimately used for prioritising risks for formulating strategies. These processes will ultimately culminate into departmental risk registers that will systematically summarise risks related information complemented with their relative action plans. Based thereon, a Risk Register will be framed for the Authority comprising the most critical risks representing a threat to the going concern of the Authority and necessitating constant monitoring. The Risk Register will thereafter be a dynamic document subject to review by the Internal Audit & Risk Department year-in-year-out.

To invigorate the progress of this undertaking, the Risk function ascertains:

- the appointment of a risk champion in each department;
- exposure to the importance of risk management to a larger audience of the MPA;
- organisation of brainstorming sessions with designated risk champions for the preparation of departmental risk registers; and
- assistance in implementation of the risk management framework through regular follow-ups/individual assignments.

The risk function gathers experience and judgment together to give a 'common sense' of what is possible and how to make it work for the benefit of the MPA. In fact, this common sense rule assists in garnering the benefits of bearing risks by allowing decision-making that makes sense in today's rapidly changing port environment. The embracing of a culture of appreciation and awareness on risk management will thus prepare the MPA to shield 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

As part of its on-going commitment to preserve the port's existing assets and to provide modern state-of-the-art facilities, 2013 saw significant progress being made on a number of key projects including the extension and strengthening of the Mauritius Container Terminal (MCT) quay; Upgrading of road networks; Upgrading of the Capitainnerie Building and the provision of a New Exit at the Container Scanner Depot. These projects are meant not only to respond to the need to provide for the requirements of larger container ships but also increase port efficiency and seamless traffic within and out of the port area. A status report on the various projects under way is given below.

Extension & Strengthening of the Mauritius Container Terminal (MCT) Quay

With increasing demands to accommodate even larger ships and growing volumes of cargo, it is imperative to increase port capacity efficiency and productivity. These come at a time when MPA is in the process of expanding its Container Terminal and thus increase its container handling capacity. As reported previously it is expected that an increasing number of 8000-9000+ TEU capacity vessels will be mobilised in the region, although some large vessels are calling at Port Louis Harbour with a reduced draft. Moreover, the existing rail mounted quay cranes (RMQCs) of post panamax size have a limited outreach up to the 16th row whereas most of the large vessels now have 17+ containers across. The existing RMQCs also have air draft restrictions.

In order to cater for the larger container vessels and the resultant increase in container volumes, the MPA is proceeding with the extension and strengthening of the MCT quay comprising the following main components (i) extension of the MCT quay by 240m; (ii) expansion of the container stacking yard by about 7.5 hectares; (iii) strengthening of the existing 560 metre long berth; (iv) construction of bunds and shore protection at Fort George and also in the Fort William region which has been designed to receive dredged material meant for land reclamation; and (v) dredging works to deepen the navigational channel to 16.5m together with associated land reclamation both at Fort George and Fort William.

The contract for consultancy services was awarded to Messrs. AECOM Middle East Ltd in November 2010 and the consultant has proposed that the works be undertaken under 3 contract packages, i.e. Construction of Bunds, Marine & Civil Works and Dredging Works as detailed below.

Bund Construction Contract

The bund wall would be used to contain and stockpile the materials to be recovered from the dredging activities and which will subsequently be used for land reclamation offshore of Fort George and Fort William. Besides providing protection to the dredged material, the bund wall will also retain and minimise suspension of sediments in the effluent that would be discharged back to the sea, hence acting as an environmental mitigation measure.

The work relates to the construction of bunds in a marine environment at Fort William running over a length of 2,400m and 650m at Fort George. The bunds are to be constructed with a sand core, protected on the outer face by geotextile membrane, an under layer of rock and rock armour layer. It is expected that the internal bunded area at Fort William will be of an expanse of around 35 ha and of 4 ha at Fort George.

Bids for the construction of the rock bund were invited from potential bidders through an International Open Advertised Bidding in December 2012. Bids were received at the Central Procurement Board on 28 February 2013. Following evaluation of bids by the CPB, the contract for the construction of the bund wall package was awarded to Messrs. PAD & Co. Ltd. for the total amount of Rs 365,284,850.00. Works on site started in August 2013 and is expected to be completed around October 2014.

Marine and Civil Works Package

The marine and civil works package consists of the extension of the MCT quay by 240m; strengthening of the 560 metre long berth and expansion of the container stacking yard by about 7.5 hectares.

This work package is estimated to cost around Rs 3.6 billion. A prequalification of potential bidders was undertaken under the aegis of the Central Procurement Board and five firms were shortlisted.

On 27 September 2013, bids were invited from the five pre-qualified bidders as follows:

1. JV STRABAG International Gmbh/Archirodon Overseas Company S.A with Strabag International Gmbh as lead partner;
2. JV AFCONS Infrastructure Ltd/Aarselff with AFCONS Infrastructure Ltd as lead partner;
3. JV Rehm – Grinaker/McConnell Dowell South East Asia Pte Ltd with McConnell Dowell South East Pte Ltd as lead partner;
4. JV MARG/Patel with MARG as lead partner; and
5. JV Soletanche Bachy/Colas (Maurice) Ltée with Soletanche Bachy as Lead Partner.

Bids will be received at the Central Procurement Board by 4 February 2014 and it is expected that the contract will be awarded in July 2014 and executed over a period of 27 months. The completion date is expected to be around end of 2016.

Dredging Contract

To ensure safe manoeuvring and operations of fully laden 8000-9000 TEUs capacity vessels, there is the need to further deepen of the English Channel to 16.5 metres below Chart Datum.

The deepening works would require about 1 million m^3 of material to be dredged. This would serve for land reclamation of an area of about 39 hectares in the Fort William and Fort George regions meant essentially for future port development. In addition, the Authority will seize the opportunity to use the dredger for some maintenance dredging within the navigation channel to the old port.

The estimated cost for the deepening works and the associated land reclamation process is around Rs 795 million.

Invitation for pre-qualification of contractors was launched in 17 December 2013 and proposals from potential contractors will be received at the Central Procurement Board on 5 February 2014.

Bids for the pre-qualified bidders will be launched around July/August 2014 and the contract is expected to be awarded around September 2014.

Upgrading of Road Network

As reported in last year's reports, an extensive site investigation was required to effectively assess the status of the road network in the port. Following a tender exercise, the contract for site investigation work was awarded to Sotravic Ltd and a Preliminary Report was submitted in November 2012 and a full Preliminary Design Report with recommendations on the scope of road upgrading works was submitted on 23 January 2013. Following further discussions the scope of works for immediate implementation was finalised in May 2013.The estimated cost of the project revolves around Rs 63 million.

In July 2013 the Consultants, Messrs. Luxconsult (Mtius) were requested to proceed with the detailed design and preparation of the tender documents for construction. The tender was subsequently launched in December 2013 and bids are expected on 30 January 2014. It is expected that the contract will be awarded around May 2014 and the works may be completed by the end of 2014.

LPG Storage Facilities

It is to be noted that development of certain facilities within the port area is also undertaken by private companies and one of these projects is the development of LPG Storage Facilities being implemented by Petredec (Mauritius) Ltd.

Petredec (Mauritius) Ltd was allocated some 1.1 ha of land by the MPA at Mer Rouge for the construction of an LPG storage facility of 15,000 MT capacity meant essentially for export purposes.

Construction works were completed in December 2013. The facility will be tested and commissioned by mid-2014, prior to start of commercial operations. It is expected that some 90,000 MT of LPG will be handled annually through this facility.

Upgrading of Capitainerie Building

The Capitainerie Building, which was constructed in 1994, has been subject to a number of persistent problems related to environmental issues, excessive wear and tear, poor lighting, ventilation in offices and water accumulation in the yard. It became necessary to renovate the building to resolve the above issues.

A request for consultancy proposal for renovation of the Capitainerie Building was thus launched and a contract was subsequently awarded to Messrs. Atelier D' Architecture Diagonale II in February 2012 for a sum of Rs 3,678,000.

After a survey and condition assessment of the existing building the consultants submitted a preliminary report and the scope of works was finalised in September 2013 which includes provision of an additional lift, the complete renovation of the external façade and interior upgrading. The consultants are presently finalising the tender documents for construction which is expected to cost around Rs70 million. It is expected that the tender will be launched by mid-2014 and awarded around December. The works are expected be completed by end of 2015.

New Exit at Container Scanner Depot Site

With an increase in trucking traffic directly linked to the expanding container trade an acute congestion is being experienced at the MCT gates both for incoming and outgoing traffic. The situation is further worsened by the shifting of containers from the stack yard to the scanning zone and vice versa. In a bid to relieve the congestion at the main exit gates it is intended to provide a second exit for the Mauritius Container Terminal. This new exit is proposed to be located near the Customs Cargo Scanning Facility and will be used by container lorries leaving the terminal with already scanned containers. The project will also comprise the construction of a new control post manned by Customs and CHCL officials, fencing works to demarcate the zone from container storage area and asphalt works, tender was launched in December 2013 and the work is expected to start around June 2014 and be completed by the end of the year. The project is estimated to cost around Rs 9 million.

OPERATIONS REPORT

Overview

In 2013, the combined effects of dampened economic activities on the domestic front and the soft global economic environment have taken their toll on port trade performance by denting total cargo traffic. Port Louis has recorded a total traffic of 6.8 million tonnes during the financial year ending 31 December 2013. This figure is marginally lower by 4.4% than the 7.1 million tonnes handled the previous year.

Total container volumes recorded a 7.7% decline (i.e. 32,141 TEUs), from 417,467 TEUs in 2012 to 385,326 TEUs in 2013. This poor performance was mainly due to a 13.9% contraction in transhipment activities.

However, on a more positive note, total vessels' calls registered a growth of 5.1%, from 3,476 calls in 2012 to 3,652 calls this year as a result of increased containerised and fishing vessels' calls, registering a growth rate of 7.2% and 16.7% respectively for this year. Captive laden container traffic has also shown signs of resilience by posting a positive growth.

Total Cargo Traffic

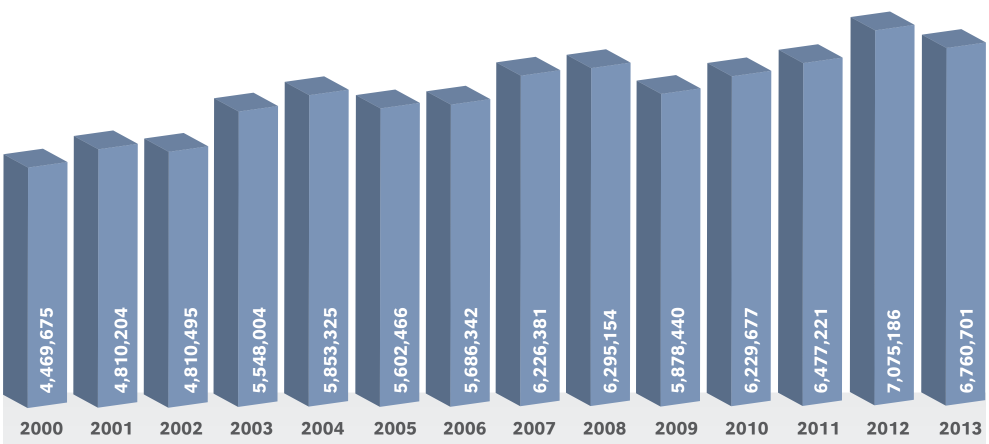
Total cargo handled in the port stood at 6,760,701 tonnes during 2013 as compared to 7,075,186 tonnes last year, a drop of 314,485 tonnes equivalent to 4.4%, as shown below.

Total Cargo Traffic 2012 v/s 2013 (tonnes)

	2012	2013	Difference	% Change
Total Imports	5,932,906	5,680,220	-252,686	-4.3
Total Exports	1,142,280	1,080,481	-61,799	-5.4
Total Cargo	**7,075,186**	**6,760,701**	**-314,485**	**-4.4**

The following figure shows the evolution of total cargo traffic at Port Louis for the preceding fourteen years from 2000 to 2013.

FIG 1: EVOLUTION OF TOTAL CARGO TRAFFIC (TONNES)



Total Imports

During 2013, total imports declined from 5,932,906 tonnes in 2012 to 5,680,220 tonnes, a drop of 252,686 tonnes (-4.3%), as detailed below:

Total Imports 2012 v/s 2013 (tonnes)	2012	2013	Difference	% Change
Bulk Imports	3,023,777	2,990,629	-33,148	-1.1
Containerised Imports	2,713,340	2,517,577	-195,763	-7.2
General Cargo Imports	195,789	172,014	-23,639	-12.1
Total	**5,932,906**	**5,680,220**	**-252,686**	**-4.3**

Imports of total bulk cargo, both dry and liquid, registered a decrease of 1.1% from 3,023,777 tonnes to 2,990,629 tonnes in 2013.

Dry Bulk Imports

Dry bulk imports declined by 0.3%, from 1,807,223 tonnes in 2012 to 1,801,151 tonnes in 2013. The different components of dry bulk showed changes as follows:

- Imports of cement went down by 9.1% from 780,661 tonnes to 709,787 tonnes in 2013.
- Coal imports expanded from 685,319 tonnes in 2012 to 752,323 tonnes in 2013 (+ 9.8%)
- Imports of wheat noted a fall of 2.2% from 167,040 tonnes to 163,328 tonnes.
- The volume of imported maize has gone up by 6.7% from 93,248 tonnes in 2012 to 99,521 tonnes this year. Conversely, imports of soya bean meal have dropped by 16.9% from 48,455 tonnes to 40,272 tonnes for the period under review.
- A marked increase in imports of fertilizer, totalling some 8,920 tonnes, was noted in 2013 against 5,500 tonnes recorded in 2012 (a growth of 62.2%).
- Imports of raw sugar were at par, e.g. 27,000 tonnes for both the period under reference and CY2012.

Liquid Bulk Imports

Imports of liquid bulk cargo, comprising petroleum products, bitumen and edible oil have decreased by 2.2%, (- 27,076 tonnes) from 1,216,554 tonnes in 2012 to 1,189,478 tonnes in 2013, as detailed below:

Liquid Bulk Imports 2012 v/s 2013 (tonnes)	2012	2013	Difference	% Change
White oil	664,296	681,896	17,600	2.7
Black oil	440,035	405,324	-34,711	-7.9
L.P.G	68,400	68,200	-200	-0.3
Sub-total Petroleum Products	*1,172,731*	*1,155,420*	*-17,311*	*-1.5*
Edible oil	25,402	21,750	-3,652	-14.4
Bitumen	18,421	12,308	-6,113	-33.2
Total	**1,216,554**	**1,189,478**	**-27,076**	**-2.2**

Solely for petroleum products a drop of 1.5 % (17,311 tonnes) has been registered, from 1,172,731 tonnes to 1,155,420 tonnes. This is attributed to fluctuations in import volumes as regards the various commodities, i.e.

- White oil imports increasing by 2.7 %, from 664,296 tonnes in 2012 to 681,896 tonnes in 2013.
- Black oil imports decreasing by 7.9% from 440,035 tonnes to 405,324 tonnes.
- LPG imports also decreased nominally by 0.3%, from 68,400 tonnes to 68,200 tonnes.
- The volume of imported edible oil went down by 14.4% (3,652 tonnes) from 25,402 tonnes to 21,750 tonnes.
- Similarly import of bulk bitumen also decreased to 12,308 tonnes in 2013 as opposed to 18,421 tonnes previously (- 33.2%), equivalent to 6,133 tonnes.

Containerised Cargo Imports

The traffic of containerised cargo imports, inclusive of containerised inter-island trade, declined by 7.2% (195,763 tonnes), from 2,713,340 tonnes previously to 2,517,577 tonnes in 2013, details of which are shown below:

Containerised Cargo Imports	2012	2013	Difference	% Change
Captive imports	1,281,316	1,287,733	6,417	0.5
Transhipment (inwards)	1,423,036	1,221,016	-202,020	-14.2
Inter-Island imports	8,988	8,828	-160	-1.8
Total	**2,713,340**	**2,517,577**	**-195,763**	**-7.2**

- Whereas total captive containerised imports grew by 0.5% (6,417 tonnes) from 1,281,316 tonnes to 1,287,733 tonnes in 2013;
- Containerised transhipment inwards cargo went down from 1,423,036 tonnes to 1,221,016 tonnes in 2013, representing a drop of 14.2% (-202,020 tonnes); and
- Inter-island imports in containers dropped by 1.8%, equivalent to 160 tonnes, from 8,988 tonnes to 8,828 tonnes in 2013.

General Cargo Imports

Imports of general cargo (comprising unitised break bulk, inter-island trade and fish traffic) dropped by 12.1% (-23,775 tonnes) from 195,789 tonnes in 2012 to 172,014 tonnes for 2013.

Fish Imports

Total fish imports posted an expansion of 9.8% (13,081 tonnes), with 146,438 tonnes compared to 133,357 tonnes in 2012. This traffic is detailed as follows:

- Imports by Princes Tuna expanded by 9.7% (4,736 tonnes) whilst imports of Thon des Mascareignes decreased by 5.5% (2,060 tonnes) for the period under review;

Consolidated imports of tuna expanded by 2,676 tonnes (+3.1%) from 85,846 tonnes to 88,522 tonnes;

- Fish handled for the local market increased by 479 tonnes (+25.7%) from 1,863 tonnes in 2012 to 2,342 tonnes in 2013; and
- Fish transhipment (inwards) expanded by 21.7% (9,926 tonnes) from 45,648 tonnes to 55,574 tonnes.

Total Exports

Total exports dropped by 5.4% (61,799 tonnes) from 1,142,280 tonnes to 1,080,481 tonnes in 2013, as outlined below:

Total Exports (tonnes)	2012	2013	Difference	% Change
Total Bulk Exports	404,611	337,487	-67,124	-16.6
Total Containerised Exports	730,666	736,654	5,988	0.8
General Cargo Exports	7,003	6,340	-663	-9.5
Total	**1,142,280**	**1,080,481**	**-61,799**	**-5.4**

Total Bulk Exports (Liquid and Dry)

Total bulk exports witnessed a drop of 16.6%, equal to 67,124 tonnes, from 404,611 tonnes to 337,487 tonnes.

Liquid Bulk Exports

Exports of liquid bulk cargo, comprising bunkers/molasses/black and white oils, fell from 404,611 tonnes in 2012 to 337,487 tonnes this year, registering a decrease of 16.6%, equivalent to 67,124 tonnes, as detailed below:

Total exports of bunkers declined by 5.1% as follows:

- Bunker by pipeline dropped by 3.7% from 130,732 tonnes to 125,871 tonnes, equivalent to 4,861 tonnes.
- Similarly, exports of bunkers by barge decreased by 9,459 tonnes (6.2%) from 152,912 tonnes to 143,453 tonnes.
- Molasses exports reached a low of 62,773 tonnes in 2013 as opposed to 116,566 tonnes in 2012.
- The exports of black oil stood at 2,240 tonnes in 2013 as compared to 2,400 tonnes recorded in 2012.
- Some 3,150 tonnes of white oil have been exported compared to 2,001 tonnes in 2012.

Containerised Cargo Exports (including Inter-Island Trade)

Containerised cargo exports increased by 0.8% (+5,988 tonnes) from 730,666 tonnes to 736,654 tonnes in 2013. A breakdown of this traffic shows that while captive containerised exports have grown by 1.0% inter-island containerised exports, on its part, decreased by 1.6%.

General Cargo Exports

General cargo exports witnessed a drop of 9.5%, equivalent to 663 tonnes, from 7,003 tonnes in 2012 to 6,340 tonnes this year, as summarised in the following table.

GENERAL CARGO EXPORTS (tonnes)				
	2012	**2013**	**Difference**	**% Change**
Fish Transhipment Outwards	1,406	1,860	454	32.3
Inter-island	3,346	3,274	-72	-2.2
Unitised Break Bulk	2,251	1,206	-1,045	-46.4
Total	**7,003**	**6,340**	**-663**	**-9.5**

Unitised break bulk and inter island exports have gone down by 46.4% and 2.2%, respectively whilst fish transhipment exports rose by 32.3% for the period under review.

Total Container Traffic

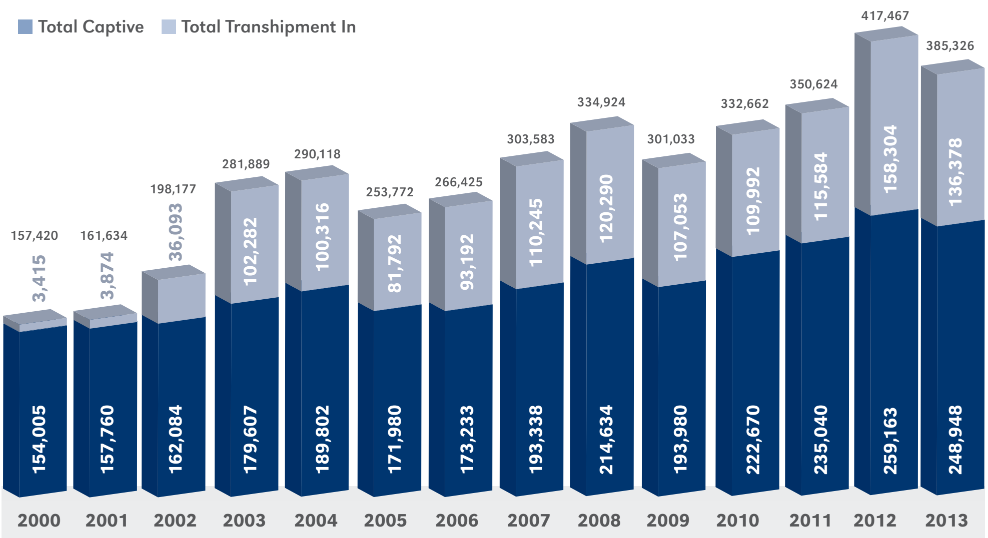
It is practically three years after the slump of 2009 that total container traffic once again registered a decrease of 7.7% (equivalent to 32,141 TEUs) from 417,467 TEUs in 2012 to 385,326 TEUs in 2013.

A close look at total container traffic, which comprises both captive and transhipment traffic, shows that:

- Captive container traffic registered a contraction of 3.9% (10,215 TEUs) with 248,948 TEUs in 2013 as compared to 259,163 TEUs in 2012; and
- Total transhipment container traffic also decreased by 13.9% (21,926 TEUs) from 158,304 TEUs in 2012 to 136,378 TEUs in 2013.

The following figure shows the evolution of total container traffic (captive and transhipment) over the preceding fourteen years (2000 – 2013).

FIG 2: EVOLUTION OF TOTAL CONTAINER TRAFFIC (TEUS)



Captive Container Traffic

Total captive container traffic went down to 248,948 TEUs in 2013 in comparison with 259,163 TEUs in 2012 i.e. a decrease of 3.9%.

Laden Captive Import Traffic (New Record)
Import of laden captive containers attained a record figure of 103,685 TEUs in 2013 compared to the 103,224 for the preceding year showing a slight growth of 0.4%, equivalent to 461 TEUs.

Laden Captive Export Traffic (New Record)
Export of captive laden containers, though expanding by a nominal 0.8% (an increase of 479 TEUs), established a new record figure of 58,932 TEUs in 2013 in contrast to 58,453 TEUs for 2012.

Empty Captive Import Traffic
The traffic of empty captive import containers declined by 24.0% (6,674 TEUs), with 21,120 TEUs in 2013 versus 27,794 TEUs for 2012.

Empty Captive Export Traffic
Export of empty captive containers also registered a decrease of 6.4% (4,481 TEUs) with 65,211 TEUs in 2013 as compared to 69,692 TEUs in 2012.

Total Transhipment Container Traffic
Total transhipment (inwards) container traffic decreased by 13.9%, equivalent to 21,926 TEUs, with 136,378 TEUs in 2013 against 158,304 TEUs for the same period last year.

The detailed transhipment traffic, made up of laden and empty container traffic, is shown below.

Laden Transhipment Container Traffic
In 2013, some 99,189 laden TEUs for the region were transhipped at Port Louis Harbour as compared to 115,600 TEUs in the previous year, thus registering a drop of 16,411 TEUs, equivalent to 14.2%.

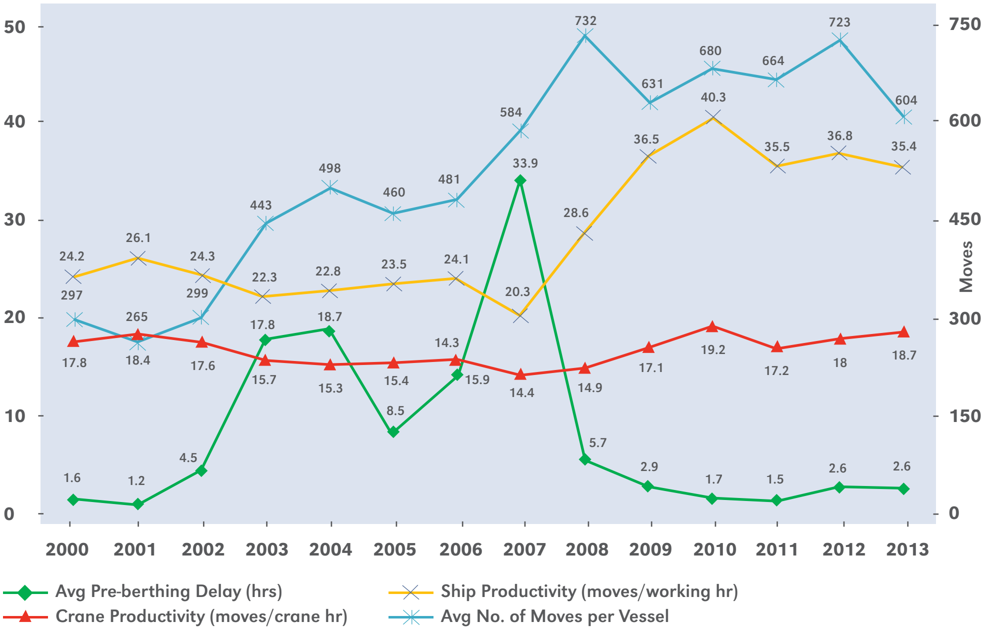
Empty Transhipment Container Traffic
Similarly, empty transhipment container traffic also went down by 12.9% (- 5,515 TEUs) with 37,189 TEUs in 2013 in contrast with 42,704 TEUs in 2012.

Total Container Throughput
Overall container throughput at Port Louis for 2013 dropped to 517,768 TEUs as compared to 576,383 TEUs for last year, registering a significant shortfall of 58,615 TEUs, equivalent to 10.2%.

As a result the throughput at MCT reached 486,184 TEUs in 2013 as opposed to 534,758 TEUs in 2012 i.e. a contraction by 9.1% (representing some 48,574 TEUs).

The share of MCT, which stood at 92.8% in 2012, reached 93.9% in 2013.

FIG 3: EVOLUTION OF KPIS AT THE MAURITIUS CONTAINER TERMINAL



KEY PERFORMANCE INDICATORS

Crane Productivity

The average crane productivity improved from 18 moves per gross crane hour in 2012 to 18.7 moves in 2013.

The highest performance was attained in February with 20.8 moves/gross crane hour and the lowest in July with 17.0 moves/gross crane hour.

Ship Productivity

The average number of moves per ship working hour decreased from 36.8 in 2012 to 35.4 in 2013, with a peak of 41.1 moves in January 2013 and a low of 31 moves in June.

Pre-berthing Delays

The average pre-berthing/sailing delay was at par in both 2012 and 2013 with 2.6 hours.

Downtime of Port

During the period under review, handling operations at MCT were disrupted for about 20.8 days due to rough seas and swells following cyclones Dumile, Felleng and Imelda, coupled with adverse weather conditions like heavy torrential rainfall and strong winds, as compared to 6.9 days in 2012.

VESSEL TRAFFIC

There were some 3,652 vessels which called at Port Louis Harbour during 2013 as compared to 3,476 in 2012, i.e. an increase of 176 calls, thus establishing a new record in vessels' arrival.

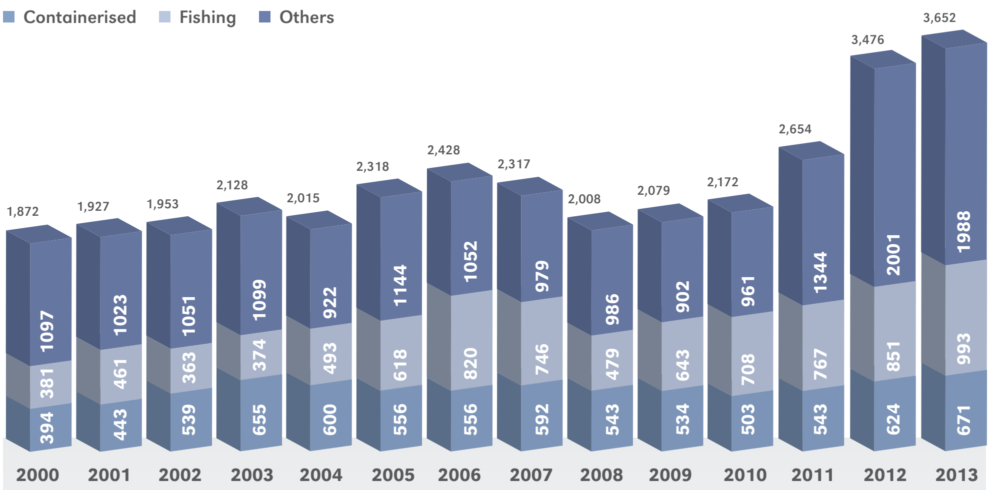
A breakdown by category of vessels for the period under review is shown in the table below:

Vessel Traffic Category	CY2012	CY2013	Difference	% Change
Containerized Vessels (new record)	624	669	45	7.2
Tankers – Black/ White oil	23	26	3	13.0
Tankers – LPG	25	28	3	12.0
Tankers – other products	23	16	-7	-30.4
Dry Bulk carriers	57	61	4	7.0
Unitized & Break Carriers	18	8	-10	-55.6
General Cargo Vessels	11	5	-6	-54.5
Fishing Vessels (new record)	851	993	142	16.7
Pure Car Carriers	43	40	-3	-7.0
Inter-Island	133	128	-5	-3.8
Cruise Vessel	23	15	-8	-34.8
Others	1,645	1,663	18	1.1
Total	**3,476**	**3,652**	**176**	**5.1**

- Container vessels' calls reached 669 in 2013 in contrast to 624 in 2012, an increase of 7.2% (a new record).
- A new record of fishing vessels was established with 993 calls in 2013, as opposed to 851 calls previously, i.e. an increase of 16.7% (equivalent to 142 additional calls)
- The number of calls by white/black oil tankers was 26 as compared to 23 in 2012.
- LPG tankers made 28 calls in 2013 compared to 25 calls last year.
- Other tankers (edible oil, bitumen, molasses) calls numbered 16 in 2013 as compared to 23 earlier.
- Calls made by unitised and break bulk carriers declined to 8 this year as opposed to 18 in 2012.
- Similarly the number of cruise vessels calling at Port Louis attained 15 in 2013 against 23 in 2012.
- Vessels categorised as "Others" and which called at Port Louis for bunkering purposes, provision of fresh water, shipchandling, crew change, loading of spare parts and repairs, embarking/disembarking of (armed) security guards has increased from 1,645 to 1,663 in 2013.

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

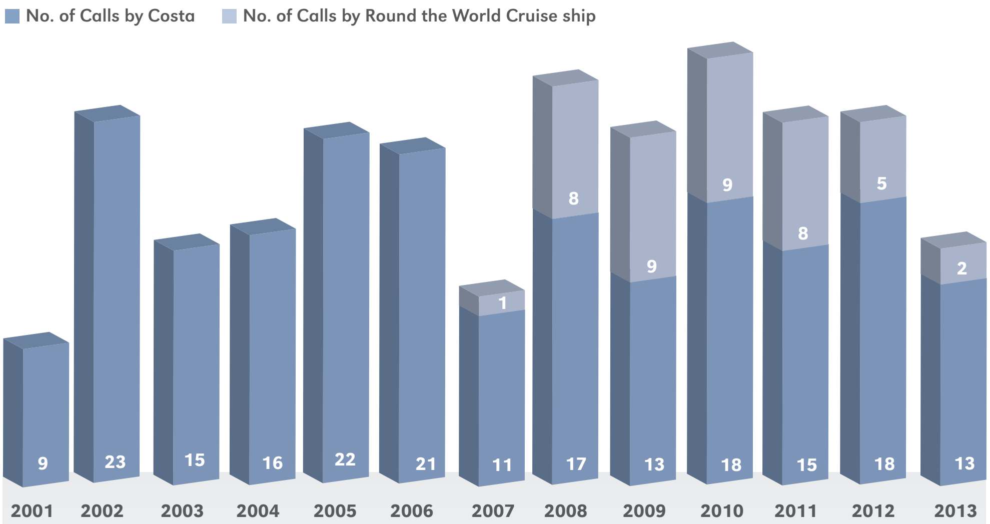
FIG 4: EVOLUTION OF VESSEL TRAFFIC



Cruise Tourism

Cruise traffic for 2013 showed a marked decline with the number of calls made by cruise vessels totalling 15 against the 23 as recorded for last year. The following figure shows evolution of cruise traffic over the period 2001 to 2013.

FIG 5: EVOLUTION OF TOTAL CRUISE VESSEL CALLS



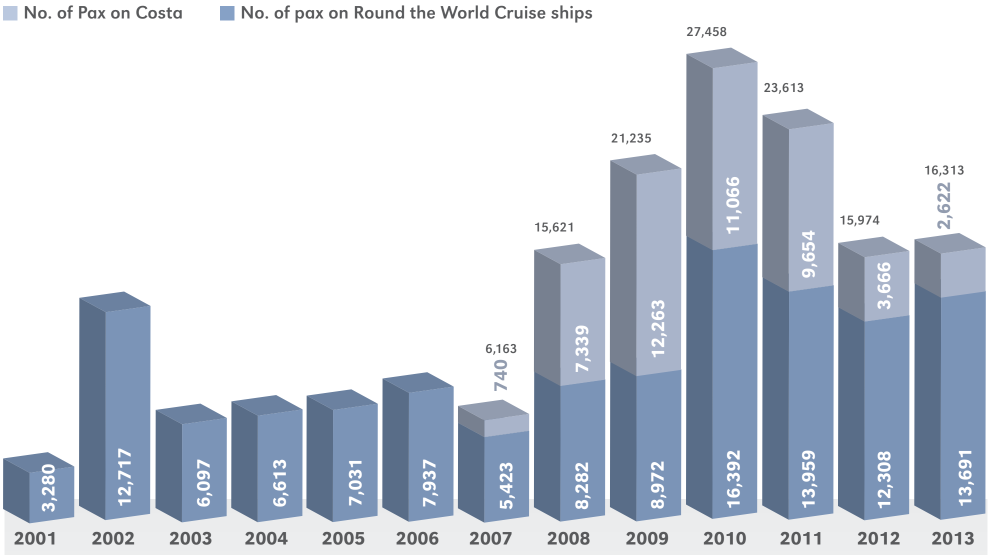
A comparative table detailing both cruise and passenger traffic for 2012 against 2013 is given below:

Cruise/Passenger Traffic	2012	2013	Difference	% Change
No. of calls by Costa	5	2	-3	-60.0
No. of calls by Round the world cruise ships	18	13	-5	-27.8
Total No. of cruise ships calls	23	15	-8	-34.8
No. of Pax arrived on Costa	3,666	2,622	-1,044	-28.5
No. of Pax arrived on round the world cruises	12,308	13,691	1,383	11.2
Total No. of Pax on arrival	15,974	16,313	339	2.1
No. of Pax departed on Costa	4,126	2,756	-1,370	-33.2
No. of Pax departed on round the world cruise	12,230	13,762	1,532	12.5
Total No. of Pax on departure	**16,356**	**16,518**	**162**	**1.0**

Passenger traffic on arrival registered an expansion of 2.1% with 16,313 arrivals at Port Louis in 2013 against 15,974 in 2012.

Similarly, a nominal increase of 1% in passenger departures has been registered for 2013, with some 16,518 passengers compared to 16,356 passengers last year.

FIG 6: EVOLUTION OF TOTAL CRUISE PASSENGER TRAFFIC (ARRIVAL)



As far as Costa Cruises are concerned, only 2 calls were registered in CY2013 against 5 in 2012. Similarly, there has been a reduction of 28.5% in the number of Costa passenger arrivals at Port Louis during 2013 with 2,622 passengers compared to 3,666 passengers in 2012.

MAIDEN CALL

MPA welcomed the MSC Fabiola, one of the largest container ships to date to Port Louis on 26 March 2013.

Built in 2010, MSC Fabiola is 366 metres long and 48.6 metres wide with an impressive gross tonnage of 140,259 and a slot capacity of 12,552 TEUs.

This mega carrier, plying on the Pendulum service, came from the Singapore/Far East to Port Louis to offload some 1,055 and load 571 containers before proceeding to Durban.

FINANCIAL REPORT

The Authority has achieved a satisfactory financial performance for the twelve months ending 31 December 2013. The Operating Revenue has reached a figure of Rs 1.215 billion which is a new record figure compared to last year's figure of Rs 1.158 billion.

This growth has been achieved due to an appreciation of the USD against the MUR during a major part of the year. However, the operational performance has been less favourable than the previous year with a contraction in both cargo and container traffic.

Total cargo traffic has contracted by 4.4% from FY 2012 to FY 2013, as a result of a drop from 7.1 million tonnes in 2012 to 6.8 million tonnes in 2013. On the container traffic side a downfall of 7.7% has been recorded whereby total container traffic declined from 417,467 TEUs in FY 2012 to 385,326 TEUs in FY 2013.

However, a positive growth of 5.1% has been noted in the number of vessel calls expanding from 3,476 in FY 2012 to 3,652 in FY 2013 which again sets a new record in terms of vessel traffic. Improvement has been noted in the different categories of vessel traffic namely containerized vessels, which has risen by 7.2% and fishing vessels, which has expanded by 16.7 % from FY 2012 to FY 2013.

The Authority incurred operating expenses to an amount of Rs 864.6 million as compared to 871.9 million in 2012. This decrease is mainly due to non-provision for bad debts in 2013.

The Authority realised a net surplus of Rs 612.4 million for the year ending 31 December 2013 compared to Rs 607.6 million for the previous year.

Some major financial indicators have been highlighted in the table below for 2013 as per the audited financial statements together with comparative figures for 2012

Items	FY 2013	FY 2012
Operating Revenue (Rs'M)	1,215.72	1,157.79
Other Income (Rs'M)	117.80	116.16
Total Revenue (Excluding finance income)	**1,333.52**	**1,273.95**
Operating Expenses	(864.62)	(871.86)
Finance Income (Rs'M)	168.84	132.64
Finance Costs (Rs'M)	(4.81)	(2.19)
Operating Surplus (Rs'M)	**632.9**	**532.54**
Foreign Exchange Gain/(Loss) (Rs'M)	(20.5)	74.71
Net Surplus (Rs'M)	**612.43**	**607.25**

Profitability ratios		
Net Surplus Margin	45.9%	47.67%

Items	FY 2013	FY 2012
Solvency ratios		
Gearing ratio	**0.018**	**0.004**
Liquidity ratio		
Current ratio	16.0	11.0
Operational figures		
Cargo traffic (Million Tonnes)	6.8	7.1
Captive Container Traffic (TEUs)	248,948	259,163
Container Transhipment Traffic (TEUs)	136,378	158,304

Operating Revenue

The Operating Revenue reported for FY 2013 has been to the order of Rs 1.216 billion compared to Rs 1.158 billion for FY 2012. This increase, as reported earlier, is mainly due to the appreciation of the USD against the MUR during major part of the year. The different components of the operating revenue for FY 2013 and FY 2012 are depicted in the chart below:

FIG 8: OPERATING INCOME FOR FY 2013

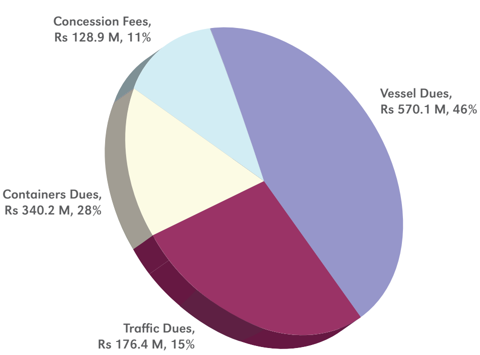
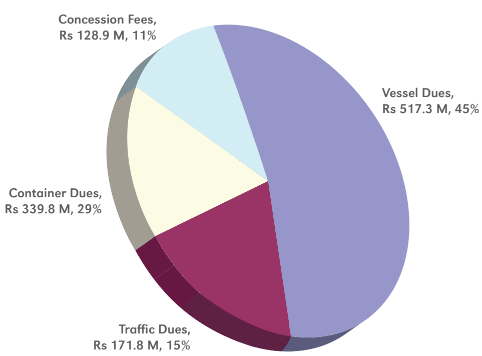


FIG 9: OPERATING INCOME FOR FY 2012



Revenues derived from the container business segment for FY 2013 have been to the order of Rs 641.3 million, out of which Rs 163 million pertains to revenue generated from transhipment activities.

The USD has appreciated during major part of the year vis a vis the MUR which contributed positively towards the growth of operating revenue. However, same has depreciated during the period October 2013 to December 2013, as illustrated below, causing an exchange loss at the end of the year.

FIG 10: EXCHANGE RATE OF MUR V USD

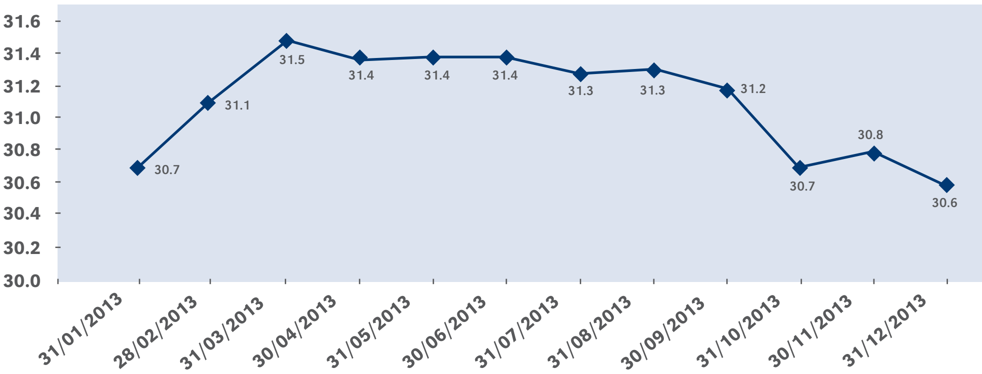
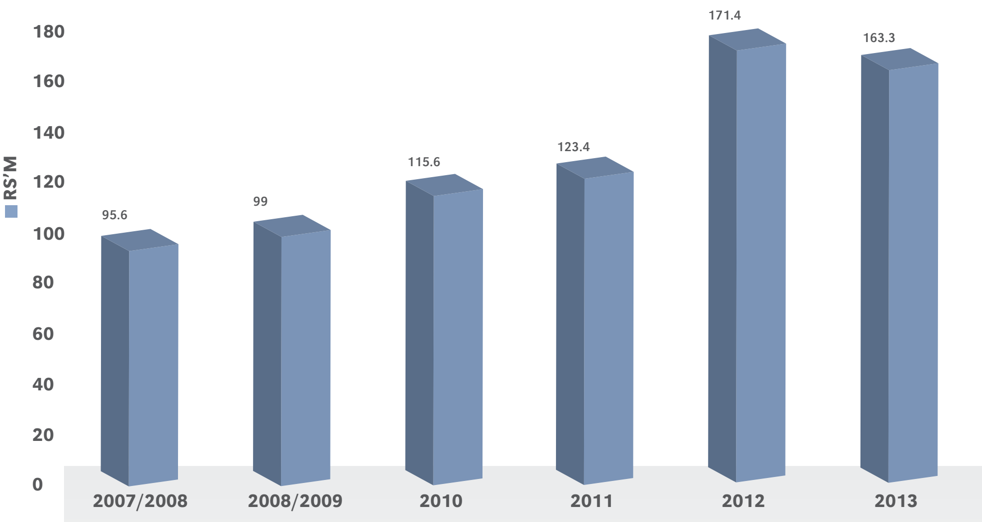


Fig 11: Revenue from Container Transhipment activities

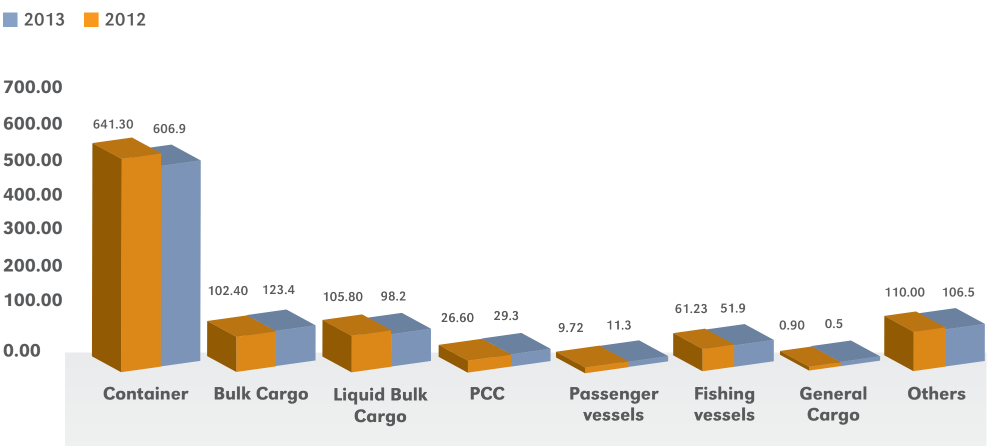
The following graph shows the trend in additional revenue derived from container transhipment activities at Port Louis harbour from 2007/2008 to 2013:

FIG 11: REVENUE FROM CONTAINER TRANSHIPMENT ACTIVITIES



The chart below shows composition of total revenue generated from the handling of different types of cargo traffic during FY 2013 with the corresponding figures for 2012.

FIG 12: REVENUE BY TYPE OF CARGO



Concession fee

The concession fee received from Cargo Handling Corporation Ltd has been to the order Rs 128.9 million and is the same as derived during previous years. These total fees represent a substantial component of the operating revenue.

Other Income

The Authority realised income from other sources amounting to Rs 117.79 million such as Investment Income, Rental Income and other non-operating income. The major composition of income, under this item comes from Rental income which totals some Rs 101.3 million.

Finance Income

The surplus cash of the Authority has been invested in fixed deposit accounts. The revenue from such investment has been to the order of Rs 168.8 million for the year and improved as compared to last year's figure of Rs 132.64 million.

Operating Expenses

Operating Expenses of the Authority have attained the level of Rs 864.6 million for the FY 2013 which represents a decrease of 0.84 % over the last year's figure of Rs 871.9 million as indicated earlier.

Finance Cost

The Authority's payment of interests on loans has increased compared to last year figure due to repayment of interests on a loan of some USD 42.6 million which the Authority has contracted from the Agence Francaise de Developpement for the Upgrading and Extension of Berth Project at the Mauritius Container Terminal. On the other hand, the EIB loan has been fully repaid in 2013.

Operating Surplus

MPA realized an operating surplus of Rs 632.9 million during this year after accounting for the above items, and compares favourably with last year's operating surplus of Rs 532.5 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 depreciation of the USD vis a vis the MUR during the end of 2013, an exchange loss of Rs 20.5 million was incurred as compared to an exchange gain of Rs 74.7 million in FY 2012.

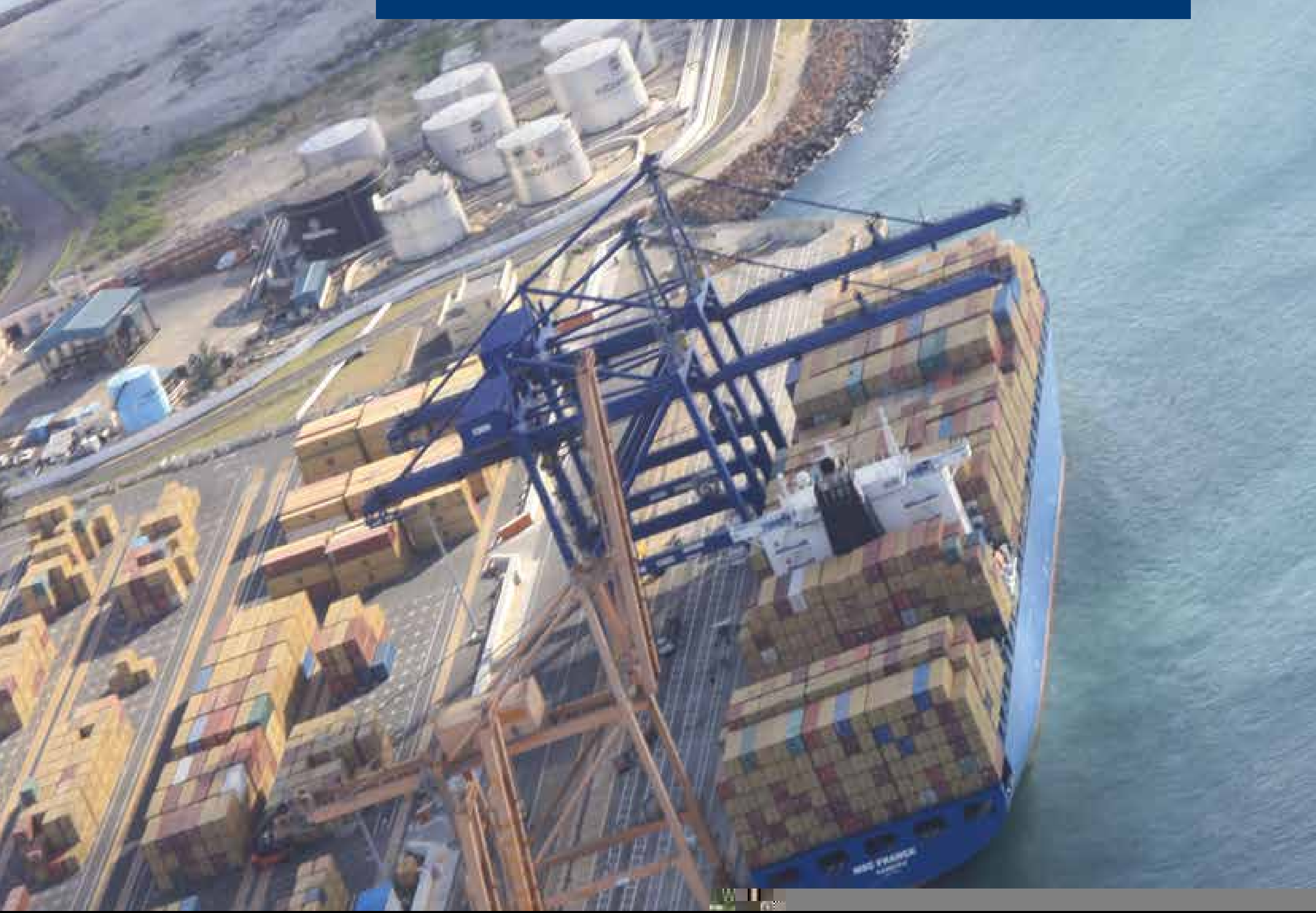
Net Surplus

Despite the above exchange loss, the Authority realized a net surplus of Rs 612.4 million for the financial year 2013, thus contributing positively to the net asset of the Authority which has now reached Rs 8.5 billion.

CAPITAL EXPENDITURE

The Authority has incurred capital expenditure amounting to Rs 109.1 million during the FY 2013 mainly on the following projects:

- Extension and Strengthening of Berths at the MCT;
- Upgrading of Security Posts in Port Area;
- Supply, installation and commissioning of an Enterprise Resource Planning System.
- Construction, supply and commissioning of Pontoons.



FINANCIAL STATEMENTS

REPORT OF THE AUDITORS TO THE BOARD MEMBERS OF MAURITIUS PORTS AUTHORITY

Report on the Financial Statements

We have audited the financial statements of Mauritius Ports Authority on pages 64 to 114 which comprise the statement of financial position as at 31 December 2013, the statement of financial performance, 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.

Other Matter

This report is made solely to the Authority's Board members, 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 Board members those matters we are required to state to them in an auditor's 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 Board members as a body, for our audit work, for this report, or for the opinions we have formed.

Board members' responsibility for the Financial Statements

The Board members are responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and in compliance with the requirements of the Statutory Bodies (Accounts and Audit) Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies: and making accounting estimates that are reasonable in the circumstances.

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 auditor considers 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 board members, as well as evaluating the overall presentation of the financial statements.

REPORT OF THE AUDITORS TO THE BOARD MEMBERS OF MAURITIUS PORTS AUTHORITY

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,

(a) The financial statements on pages 64 to 114 give a true and fair view of the financial position of the Authority at 31 December 2013 and of its financial performance, cash flows and changes in funds and reserves for the year then ended.

(b) The financial statements have been properly prepared in accordance with International Public Sector Accounting Standards (IPSAS), the Statutory Bodies (Accounts and Audit) Act and the Financial Reporting Act 2004, except that the financial statements have been prepared in accordance with IPSAS and not IFRS as required by the Sec 75 of the Financial Reporting Act 2004

Emphasis of Matter

Without qualifying our opinion above, we draw attention to note 27 of the Financial Statements that the Authority has a receivable of an aggregate amount of Rs 568m (2012 – 626m) from Cargo Handling Corporation Ltd, a related party, and which is receivable in scheduled instalments over the next ten years. Cargo Handling Corporation Ltd has paid the amounts as they fell due and is expected to pay all amounts as they fall due in future.

Report on other Legal Requirements

We report as follows:

(a) We have no relationship with or interests in the Authority other than in our capacities as auditors.

(b) We have obtained all information and explanations that we have required.

(c) In our opinion,

 (i) Proper accounting records have been kept by the Authority as far as it appears from our examination of those records.

 (ii) The Authority has been applying its resources and carrying out its operations fairly and economically.

 (iii) Judged by normal commercial practice and prudence, expenses incurred were not of an extravagant or wasteful nature.

REPORT OF THE AUDITORS TO THE BOARD MEMBERS OF MAURITIUS PORTS AUTHORITY

Financial Reporting Act 2004

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on 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 disclosure in the Corporate Governance Report is consistent with the requirements of the Code.

BACHA AND BACHA
Chartered Accountants
Les BACHA
Cathedral Square
Port Louis

Y BACHA, GOSK, FCA
Licensed by FRC
Date: 5 June 2014

STATEMENT OF BOARD'S RESPONSIBILITIES

In Respect of The Financial Statements for the year ended 31 December 2013

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 Public Sector Accounting 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 confirm 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:

Chairman

Director-General

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2013

	Notes	2013 Rs'000	2012 Rs'000	2011 Rs'000
ASSETS				
Current Assets				
Cash and cash equivalents		**3,918,209**	3,217,827	2,370,771
Trade and other receivables	**5**	**263,375**	260,485	314,269
Inventories	**6**	**45,565**	56,177	42,428
Loans receivable	**7**	**79,643**	98,328	93,120
		4,306,792	3,632,817	2,820,588
Non-Current Assets				
Cash and cash equivalents		**176,500**	-	-
Trade and other receivables	**5**	**822**	-	-
Loans receivable	**7**	**486,036**	529,015	526,101
Investments in financial assets	**8**	**389,474**	347,486	308,122
Infrastructure, plant and equipment	**9**	**3,555,044**	3,815,700	4,097,743
Land and Buildings	**9**	**283,806**	310,420	337,229
Capital work in progress	**10**	**148,929**	66,285	28,393
		5,040,611	5,068,906	5,297,588
Total Assets		**9,347,403**	8,701,723	8,118,176
LIABILITIES				
Current liabilities				
Trade and other payables	**11**	**94,629**	132,253	110,522
Current portion of long-term borrowings	**12**	-	36,843	34,604
Provisions for other liabilities	**13**	**68,528**	58,075	61,101
Dividends payable to Government of Mauritius		**100,000**	100,000	75,000
		263,157	327,171	281,227
Non-current liabilities				
Long-term Borrowings	**12**	**153,000**	0	35,657
Retirement benefit obligations	**14**	**464,244**	45,721	19,884
		617,244	45,721	55,541
Total Liabilities		**880,401**	372,892	336,768
Net Assets		**8,467,002**	8,328,831	7,781,408
NET ASSETS /EQUITY				
Republic of Mauritius capital account		**48,059**	48,059	48,059
Capital reserve	**15**	**2,701,376**	2,701,376	2,701,376
Reserve fund	**15**	**2,850,438**	2,756,014	2,249,014
Revaluation surplus	**15**	**2,564,712**	2,564,693	2,564,693
Investment fair value reserve	**15**	**297,035**	255,684	215,510
Retained earnings		**5,382**	3,005	2,756
Total Net Assets/Equity		**8,467,002**	8,328,831	7,781,408

These financial statements were approved by the Board of Directors on: 30 April 2014

Chairperson
D. J. M. ALLET

Director-General
S. SUNTAH

Director Finance
S. GANGA

The notes on pages 70 to 114 form an integral part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED DECEMBER 31, 2013

	Notes	2013 Rs'000	2012 Rs'000	2011 Rs'000
OPERATING REVENUE				
Vessel Dues	16	**570,148**	517,285	440,261
Traffic Dues	17	**176,416**	171,727	161,811
Container Dues	18	**340,206**	339,829	291,369
Concession Fees		**128,946**	128,946	128,946
		1,215,716	**1,157,787**	**1,022,387**
OTHER REVENUE				
Investment Income	19	**10,898**	11,224	8,074
Rental Income	20	**101,297**	101,912	93,645
Profit on disposal of Property, Plant and Equipment		**2,228**	0	231
Other Non-Operating Income	21	**3,374**	3,021	8,941
Finance Income		**168,844**	132,637	117,850
		1,502,357	**1,406,581**	**1,251,128**
OPERATING EXPENSES				
Employee benefit expenses	22	**(407,733)**	(378,713)	(348,130)
Sundry operating expenses		**(11,109)**	(9,244)	(9,600)
Running expenses and Repairs of equipment		**(105,327)**	(108,774)	(99,949)
Administrative expenses	23	**(23,804)**	(46,793)	(35,801)
Depreciation	9	**(316,645)**	(328,336)	(345,482)
Finance costs	24	**(4,810)**	(2,186)	(3,074)
		(869,428)	**(874,046)**	**(842,036)**
OPERATING SURPLUS		**632,929**	**532,535**	**409,092**
Net Foreign exchange Gain/(Loss)		**(20,533)**	**74,714**	**(36,486)**
SURPLUS FOR THE YEAR	25	**612,396**	**607,249**	**372,606**
Other comprehensive income:				
Available-for-sale financial assets	26	**41,351**	40,174	41,594
Actuarial gain/(Loss) recognised		**(159,902)**	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**493,845**	**647,423**	**414,200**
SURPLUS FOR THE YEAR ATTRIBUTABLE TO THE AUTHORITY		**612,396**	**607,249**	**372,606**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE AUTHORITY		**493,845**	**647,423**	**414,200**

The notes on pages 70 to 114 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS - YEAR 2013

	Notes	2013 Rs'000	2012 Rs'000	2011 Rs'000
Cash flows from operating activities				
Cash generated from operations	28(a)	**753,908**	781,829	610,563
Interest received		**166,852**	153,386	81,731
Interest paid		**(3,616)**	(2,302)	(3,141)
Net cash from operating activities		**917,144**	**932,913**	**689,153**
Cash flows from investing activities				
Purchase of property, plant and equipment, net of capital				
work in progress		**(109,011)**	(53,842)	(54,992)
Proceeds from sale of property, plant and equipment		**2,774**	0	1,952
Investment in financial assets		**(379)**	(219)	(3,146)
Loans granted		**0**	0	(3,658)
Loans repayment received		**56,939**	2,379	16,362
Dividends received		**10,474**	9,761	8,208
Net cash used in investing activities		**(39,203)**	**(41,921)**	**(35,274)**
Cash flows from financing activities				
Repayment of long term borrowings		**(36,487)**	(36,101)	(33,191)
Long term borrowing		**153,000**	-	-
Dividends paid		**(100,000)**	(75,000)	(75,000)
Net cash used in financing activities		**16,513**	(111,101)	(108,191)
Increase in cash and cash equivalents		**894,454**	779,891	545,688
Movement in cash and cash equivalents				
At January 1,		**3,217,827**	2,370,771	1,853,865
Increase		**894,454**	779,891	545,688
Effects on foreign exchange rate changes		**(17,572)**	67,165	(28,782)
At December 31	28(b)	**4,094,709**	**3,217,827**	**2,370,771**

The notes on pages 70 to 114 form an integral part of these financial statements.

MAURITIUS PORTS AUTHORITY

STATEMENT OF CHANGES IN FUNDS AND RESERVES - YEAR 2013

	Capital account	Capital reserve	Reserve fund	Revaluation surplus	Investment fair value reserve	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2013	**48,059**	**2,701,376**	**2,756,014**	**2,564,693**	**255,684**	**3,005**	**8,328,831**
Prior year adjustment for pension			**(255,674)**				**(255,674)**
Revaluation Profit on Disposal of							-
Property, Plant & Equipment				**19**		**(19)**	-
Transfer from retained earnings	-	-	**510,000**	-	-	**(510,000)**	-
Total comprehensive income for the year	-	-	**(159,902)**	-	**41,351**	**612,396**	**493,845**
Dividends	-	-	-	-	-	**(100,000)**	**(100,000)**
Balance at December 31, 2013	**48,059**	**2,701,376**	**2,850,438**	**2,564,712**	**297,035**	**5,382**	**8,467,002**

The notes on pages 70 to 114 form an integral part of these financial statements.

MAURITIUS PORTS AUTHORITY

STATEMENT OF CHANGES IN FUNDS AND RESERVES - YEAR 2012

	Capital account	Capital reserve	Reserve fund	Revaluation surplus	Investment fair value reserve	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2012	48,059	2,701,376	2,249,014	2,564,694	215,510	2,756	7,781,409
Transfer from retained earnings	-	-	507,000	-	-	(507,000)	-
Total comprehensive income for the year	-	-	-	-	40,174	607,249	647,423
Dividends	-	-	-	-	-	(100,000)	(100,000)
Balance at December 31, 2012	**48,059**	**2,701,376**	**2,756,014**	**2,564,694**	**255,684**	**3,005**	**8,328,832**

The notes on pages 70 to 114 form an integral part of these financial statements.

MAURITIUS PORTS AUTHORITY

STATEMENT OF CHANGES IN FUNDS AND RESERVES - YEAR 2011

	Capital account	Capital reserve	Reserve fund	Revaluation surplus	Investment fair value reserve	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2011	48,059	2,701,376	1,949,014	2,565,844	173,916	4,000	7,442,209
Disposal of assets				(1,150)		1,150	-
Transfer from retained earnings	-	-	300,000		-	(300,000)	-
Total comprehensive income for the year	-	-		-	41,594	372,606	414,200
Dividends	-	-	-	-	-	(75,000)	(75,000)
Balance at December 31, 2011	**48,059**	**2,701,376**	**2,249,014**	**2,564,694**	**215,510**	**2,756**	**7,781,409**

The notes on pages 70 to 114 form an integral part of these financial statements.

1. GENERAL INFORMATION

Mauritius Ports Authority is a state owned organisation, 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.

(a) Basis of preparation

The financial statements of Mauritius Ports Authority comply with the Statutory Bodies (Account and Audit) Act and have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). The Authority has adopted the International Public Sector Accounting Standards (IPSAS) as required by the Statutory Bodies (Account and Audit) Act. Preparation of the financial statements in accordance with IPSAS do not require adjustments to prior years' figures. Where there is no applicable IPSAS, the alternative accounting standards applied is the IFRS. Where necessary, comparative figures have been amended to conform with changes in presentation in the current year. The financial statements are prepared under the historical cost convention, except that :

(i) Some classes of property, plant and equipment are carried at revalued amounts;
(ii) Available-for-sale financial assets are stated at their fair value; and

Changes in financial year

The Financial Year of the Authority has been changed from 30 June to 31 December in line with Government Policy to report on a calendar year basis since December 2009.

The figures in the statement of financial position for the year under review are for the 12 months ended to 31 December 2013 and hence are comparable with the statement of comprehensive income comparative figures of 31 December 2012.

New standards and Amendments

New Standards

In 2011 the IPSASB finalised IPSAS 32, Service Concession Arrangements: Grantor. IPSAS 32 is effective for annual financial statements covering periods beginning on or after January 1, 2014.

Amendments

A number of IPSASs were amended as a result of the IPSASB's Improvements to IPSASs 2011 project. This project involves making non-urgent but necessary changes to IPSASs.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of preparation (cont'd)

Amendments in issue but not yet effective

These amendments are effective for annual financial statements covering periods beginning on or after January 1, 2013.

IPSAS 1, Presentation of Financial Statements;
IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors;
IPSAS 4, The Effects of Changes in Foreign Exchange Rates;
IPSAS 6, Consolidated and Separate Financial Statements;
IPSAS 7, Investments in Associates;
IPSAS 8, Interests in Joint Ventures;
IPSAS 10, Financial Reporting in Hyperinflationary Economies;
IPSAS 12, Inventories;
IPSAS 13, Leases;
IPSAS 14, Events after the Reporting Date;
IPSAS 16, Investment Property;
IPSAS 17, Property, Plant and Equipment;
IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets;
IPSAS 21, Impairment of Non-Cash-Generating Assets;
IPSAS 22, Disclosure of Financial Information about the General Government Sector;
IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers);
IPSAS 24, Presentation of Budget Information in Financial Statements;
IPSAS 25, Employee Benefits;
IPSAS 26, Impairment of Cash-Generating Assets;
IPSAS 27, Agriculture;
IPSAS 28, Financial Instruments: Presentation;
IPSAS 29, Financial Instruments: Recognition and Measurement;
IPSAS 30, Financial Instruments: Disclosures;
IPSAS 31, Intangible Assets.

None of these amendments is expected to have a significant effect on the financial statements of the Authority.

The preparation of financial statements in conformity with IPSAS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Property, plant and equipment

Recognition and Measurement

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Property, plant and equipment (cont'd)

Recognition and Measurement (cont'd)

eliminated against the gross carrying amount 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 amount arising on revaluation are credited to revaluation surplus. Decrease that offset previous increases of the same asset are charged directly against revaluation surplus, all other decreases are charged to the statement of financial performance.

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 capitalised. During the accounting year ended December 31, 2012, there has been no borrowing costs that have been capitalised. Depreciation of 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

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

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

	% p.a
Buildings	4 - 50
Navigational Aids	10 - 20
Tugs and Floating Crafts	5 - 50
Quays	4 - 20

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Property, plant and equipment (cont'd)

Depreciation (cont'd)

	% p.a
Furniture and Equipment	20
Plant and Equipment	10
Cargo Handling Equipment	7.69 - 100
Marine Radio Equipment	10 - 20
Mooring Buoys and Ancilliary Equipment	20
Motor Vehicles and Fire Fighting Equipment	12.5 - 100
Electrical Installation	10
Computer Units and security equipment	20
Fencing Port Area	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.

c) Financial instruments

Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the instrument.

(i) 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.

(a) 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 arise when the Authority provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets when maturity is within twelve months at the end of the reporting period or non-current assets for maturities greater than twelve months.

(b) 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Financial instruments (cont'd)

(i) Financial assets (cont'd)

(b) Available-for-sale financial assets (cont'd)

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at their fair values. Loans and receivables and held-to-maturity investments 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 measured 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.

(ii) 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 the statement of financial performance. Long term receivables without fixed maturity terms are measured at cost.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Financial instruments (cont'd)

(iii) 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 the statement of financial performance.

(iv) 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 neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Authority recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

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 statement of financial performance.

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 statement of financial performance. 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.

(v) Impairment of Financial Assets

The Authority assesses at each reporting date whether there is any objective

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Financial instruments (cont'd)

(v) Impairment of Financial Assets (cont'd)

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 occured 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.

For AFS 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 Company'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 statement of financial performance 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.

For financial assets carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Financial instruments (cont'd)

(v) Impairment of Financial Assets (cont'd)

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to statement of financial performance in the period. In respect of AFS equity securities, impairment losses previously recognised in statement of financial performance are not reversed through statement of financial performance. 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 statement of financial performance.

(vi) Financial Liabilities and Equity Instruments

(a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(c) Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

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

(d) Financial guarantee liabilities

Financial guarantee liabilities are those contracts that require the issuer to make specifies payments to reimburse the holder for a loss incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Financial instruments (cont'd)

(vi) Financial Liabilities and Equity Instruments (cont'd)

(d) Financial guarantee liabilities (cont'd)

instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issue of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised.

(vii) Derecognition of Financial Liabilities

The Authority derecognises financial liabilities when, and only when, the Authority's obligations are discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the Statement of financial performance.

(viii) Trade payables

Trade 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 initial values.

(ix) Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred.

(x) 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.

(d) 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.

(e) Retirement benefit obligations

Defined benefit plans

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(x) Cash and Cash Equivalents (cont'd)

(e) Retirement benefit obligations (cont'd)

Defined benefit plans (cont'd)

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.

Cumulative actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans in excess of the greater of 10% of the value of the plan assets or 10% of the defined benefit obligation are spread to income over the average remaining working lives of the related employees.

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.

(f) 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 the statement of financial performance.

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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(x) Cash and Cash Equivalents (cont'd)

(g) 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 financial performance, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 financial performance, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) 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).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(x) Cash and Cash Equivalents (cont'd)

(h) Revenue recognition (cont'd)

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.

(i) 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.

(j) Dividend distribution

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

(k) Operating Lease

Lease where a significant portion of the risks and rewards of ownership are retained by the Lessor is classified as operating 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 are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(x) Cash and Cash Equivalents (cont'd)

(k) Operating Lease (cont'd)

The Authority as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that the lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(l) Investments in Associates

Associates are those companies which are not a subsidiaries or joint ventures over which the Authority exercises significant influence and in which it holds a long-term equity interest. Investments in associated companies are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

(m) 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 ther Authority is subject to common control or common significant influence. Related parties may be individuals or other entitites.

(n) Non-Current Assets Held for Sale

Non-Current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-Current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and the fair value less costs to sell. Depreciation ceases to be charged on an asset recognised as held for sale as from the date of recognition thereof.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Authority' 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:

	December 31, 2013		December 31, 2012		December 31, 2011	
	USD	Euro	USD	Euro	USD	Euro
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Assets						
Cash and cash equivalents	**1,937,664**	**297,434**	1,416,356	281,178	985,368	258,795
Loans receivable	**321,300**	**0**	326,025	0	315,525	0
	2,258,964	**297,434**	1,742,381	281,178	**1,300,893**	**258,795**
Liabilities						
Borrowings	**153,000**	**0**	36,843	0	70,261	0
Other payables	**39,751**	**1,282**	73,565	1,797	53,697	1,282
	192,751	**1,282**	110,408	1,797	**123,958**	**1,282**

At December 31, 2013, if the rupee had weakened/strengthened by 5% against the US Dollar/Euro with all other variables held constant, surplus income for the years would have been **Rs 118.1m** (December 31, 2012: Rs 95.6 m and 2011: Rs 71.7m higher/lower mainly as a result of foreign exchange gains/losses in

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial Risk Factors (cont'd)

Foreign exchange risk (cont'd)

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, 2013 than in the years ended December 31, 2012 and 2011 because of the increased amounts of cash at bank.

Credit risk

The Authority's credit risk is primarily attributable to its trade 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 sales of products and 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.

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Cargo Handling Corporation	**12,526**	12,108	53,888
Mauritius Shipping Corporation Ltd	**12,729**	14,192	20,411
Maersk Mauritius Ltd	**10,202**	5,171	8,972
Mediterranean Shipping & Co. Ltd	**14,102**	10,340	17,173
Mauritius Freeport Development Ltd	**2**	1,104	1,125
Business Parks of Mauritius Ltd	**-**	347	644
Mauritius Sugar Terminal Corporation	**21,914**	19,748	13,148
Loans and Interest receivable	**581,480**	657,051	680,054
Cash and cash equivalents	**831,109**	156,161	312,300
Investments in financial assets	**389,474**	347,486	308,122
	1,873,538	**1,223,708**	**1,415,837**

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.

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial Risk Factors (cont'd)

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		
	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Available-for-sale financial assets	**19,474**	17,374	15,406

Liquidity risk

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, 2013					
Trade and other payables	**94,629**				**94,629**
Provisions for other liabilities	**68,528**				**68,528**
Total borrowings			**51,000**	**102,000**	**153,000**
December 31, 2012					
Trade and other payables	132,253				132,253
Provisions for other liabilities	58,075				58,075
Total borrowings	**-**	**36,843**	**-**	**-**	**36,843**
December 31, 2011					
Trade and other payables	110,522	-	-	-	110,522
Provisions for other liabilities	61,101	-	-	-	61,101
Total borrowings	**-**	**34,604**	**35,657**	**-**	**70,261**

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial Risk Factors (cont'd)

Interest rate risk

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

At 31 December 2013, the Company's interest bearing financial instruments included cash at bank amounting to Rs 4,355,600 (2012: Rs 5,322,223 and 2011:Rs 6,261,427) 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 21,778 (2012: Rs 26,611 and 2011: Rs 31,307) for the Authority.

Interests rates between 4.00% to 6.40 % per annum are receivable on Mur fixed deposit accounts, while interest rates between 2.50% to 4.00% per annum is receivable on USD fixed deposit accounts. Interest rates between 1.50% to 3.35% per annum is receivable on Euro deposit accounts.

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 law or regulation (including activity unauthorized 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);
- 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.

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial Risk Factors (cont'd)

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 business 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
    - Company'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 trading securities or 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.

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.2 Fair value estimation (cont'd)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Authority for similar financial instruments.

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 shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and 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 (ie capital account, capital reserve fund, investment fair value reserve, retained earnings and revaluation surplus).

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.3 Capital risk management (cont'd)

During the year ended December 31, 2013, the Authority's strategy, which was unchanged from the year ended December, 31 2012, was to maintain the least amount of debt.

Gearing Ratio

	December 31, 2013 Rs'000	December 31, 2012 Rs'000	December 31, 2011 Rs'000
Debt	**153,000**	**36,843**	70,261
Equity	**8,467,002**	**8,328,832**	7,781,408
Debt to equity ratio	**0.0181**	**0.0044**	0.0090

(i) Debt is defined as Bank Overdraft and Borrowings.

(ii) Equity includes all capital and reserves of the Authority

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 IPSAS 29 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 depend 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

4.1 Critical accounting estimates and assumptions (cont'd)

(b) Pension benefits (cont'd)

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 14.

5. TRADE AND OTHER RECEIVABLES

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Trade	**91,501**	97,077	87,732
Receivables from Cargo Handling Corporation Limited	**12,526**	12,108	53,888
Other Government debtors	**(2,497)**	(2,024)	1,457
Accrued revenue	**48,176**	41,876	39,917
Other receivables	**32,991**	41,186	35,569
Accrued interest from Cargo Handling Corporation Limited	**14,749**	28,035	58,547
Accrued interest	**80,202**	64,924	55,328
	277,648	283,182	332,438
Provision for doubtful debts	**(13,451)**	(22,697)	(18,169)
	264,197	**260,485**	**314,269**

As of December 31, 2013, trade receivables of Rs 5.6 m (December 31, 2012: Rs 6.7 m; 2011: Rs 8.1 m) 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:

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Not past due	**71,029**	62,867	76,708
30 to 60 days	**2,432**	4,252	6,050
60 to 90 days	**5,634**	2,488	2,058
More than 90 days	**61,665**	95,366	56,804
	140,760	**164,973**	**141,620**

MAURITIUS PORTS AUTHORITY

Notes To The Financial Statements - Year 2013

5. TRADE AND OTHER RECEIVABLES (cont'd)

The carrying amounts of the Authority's trade and other receivables are denominated in Mauritian Rupees. Movements on the provision for impairment of trade receivables are as follows:

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
At January 1,	22,697	18,169	18,169
Receivables written off during the year as uncollectible	**(9,037)**	(7,472)	0
Increase during the year		12,000	0
At December 31	**13,660**	**22,697**	**18,169**

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.

6. INVENTORIES

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Office supplies	**208**	176	311
Oil, lubricants and spare parts	**47,118**	43,855	42,730
Operating supplies	**402**	157	145
Uniforms	**1,606**	1,355	1,005
Goods in Transit	**345**	14,844	413
	49,679	60,387	44,604
Provision for damaged, slow moving /obsolete items	**(4,114)**	(4,210)	(2,176)
	45,565	**56,177**	**42,428**

The cost of inventories including oil, fuel and lubricants, recognised as expense and included in running expenses and repairs of equipment, amounted to Rs33.0 M (December 31, 2012: Rs.46.3M; 2011:Rs 35.8 M)

7. LOANS RECEIVABLE

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Non-current			
Loans to Cargo Handling Corporation Limited (see note (a) below)	**464,274**	504,605	499,182
Loans to Mauritius Housing Company Ltd (see note (b) below)	**21,762**	24,410	26,919
Loans to Froid Des Mascareignes (see note (c) below)	**0**	0	0
	486,036	**529,015**	**526,101**
Current			
Loans to Cargo Handling Corporation Limited (see note (a) below)	**76,995**	81,568	76,491
Loans to Mauritius Housing Company Ltd (see note (b) below)	**2,648**	2,510	2,379
Loans to Froid Des Mascareignes (see note(c) below)	**-**	14,250	14,250
	79,643	**98,328**	**93,120**
Total loans receivable	**565,679**	**627,343**	**619,221**

(a) Loans receivable from Cargo Handling Corporation Limited represent advances for the purchase of Cargo Handling equipment. These loans are secured by floating charges on the assets of the company and are repayable in 4,7,8 and 10 equal yearly instalments. The rate 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 rate of interest vary between 5% to 6%.

(c) Loans receivable from Froid des Mascareignes represent advance made by the Authority. The loans are unsecured and are repayable in 2 equal yearly instalments. The rate of interest on this loan is 5% per annum.The outstanding balance of the loan has been repaid in January 2013.

(d)

	2013	2012	2011
	Rs'000	Rs'000	Rs'000
Non-current loans receivable can be analysed as follows:			
After one year and before five years			
• Cargo Handling Corporation Limited	270,358	298,735	286,938
• Mauritius Housing Company Ltd	7,324	8,362	8,927
• Froid Des Mascareignes	0	0	0
	277,682	**307,097**	**295,865**
After five years			
• Cargo Handling Corporation Limited	193,916	205,870	212,244
• Mauritius Housing Company Ltd	14,438	16,048	17,992
	208,354	**221,918**	**230,236**
Total non-current loans receivable	**486,036**	**529,015**	**526,101**

8. INVESTMENTS IN FINANCIAL ASSETS

(a) The movement in investment in financial assets may be summarised as follows:

	December 31, 2013 Rs'000
Available for sale financial assets	
At 1 January 2013	**347,486**
Addition	**637**
Increase in fair value	**41,351**
At December 31, 2013	**389,474**

	December 31, 2012 Rs'000
Available for sale financial assets	
At 1 January 2012	308,122
Addition	219
Increase in fair value	39,145
At December 31, 2012	347,486

	December 31, 2011 Rs'000
Available for sale financial assets	
At 1 January 2011	263,382
Addition	3,146
Increase in value	41,594
At December 31, 2011	308,122

(b)

	Level 1 Rs'000	Level 2 Rs'000	Total Rs'000
At December 31, 2013			
Available-for-sale financial assets	232,888	156,586	**389,474**
At December 31, 2012			
Available-for-sale financial assets	**203,544**	**143,942**	**347,486**

8. INVESTMENTS IN FINANCIAL ASSETS (cont'd)

(c) Available-for-sale financial assets

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

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Listed	**156,388**	138,294	115,494
Development & Enterprise Market	**76,500**	65,250	61,650
Unquoted	**156,586**	143,942	130,978
Total available-for-sale financial assets	**389,474**	**347,486**	**308,122**

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

(d) None of the financial assets are either past due or impaired.

(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 40% of the share capital of Cargo Handling Corporation Limited. Cargo Handling Corporation Limited is a state owned organisation with the majority of the shares, i.e., some 54% shares, being held by the State Investment Corporation Ltd, which is the investment arm of Government of Mauritius. The Board of Directors consists of 12 directors with 2 directors from the 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.

Froid des Mascareignes Limited

The Authority holds 30% of the share capital of the 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 the financial assets and accounted for under IPSAS 29 - 'Recognition and Measurement'.

9. INFRASTRUCTURE, PLANT AND EQUIPMENT, LAND AND BUILDING

(a)	COST/VALUATION				DEPRECIATION				NET BOOK VALUE
	At January 1, 2013	Additions	Disposals	At December 31, 2013	At January 1, 2013	Charge for the year	Disposal adjustment	At December 31, 2013	At December 31, 2013
	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	1,432,525	410	-	1,432,935	538,485	74,630	-	613,115	819,820
Navigational Aids	9,570	-	-	9,570	7,609	557	-	8,166	1,404
Tugs and Floating Crafts	638,896	936	-	639,832	227,564	33,445		261,009	378,823
Quays	3,848,508	2,260	-	3,850,768	1,111,098	194,094	-	1,305,192	2,545,576
Furniture and Equipment	34,156	2,250	-	36,406	30,348	1,892	-	32,240	4,166
Plant and Equipment	21,480	253	-	21,733	9,629	1,765	-	11,394	10,339
Cargo Handling Equipment	8,835	-	-	8,835	8,335	77	-	8,412	423
Marine Radio Equipment	12,830	70	-	12,900	11,481	1,271	-	12,752	148
Mooring Buoys and Ancillary Equipment	4,889	16,785	-	21,674	4,889	1,679	-	6,568	15,106
Motor Vehicle and Fire Fighting Equipment	45,180	6,749	(7,722)	44,207	38,692	4,409	(7,175)	35,926	8,281
Electrical Installation	12,264	-	-	12,264	6,248	1,020	-	7,268	4,996
Computer and Security Equipment	57,481	209	(28)	57,662	54,165	1,557	(28)	55,694	1,968
Fencing Port Area	64,694		-	64,694	64,195	249	-	64,444	250
Total	6,238,858	29,922	(7,750)	6,261,030	2,112,738	316,645	(7,203)	2,422,180	3,838,850

9. INFRASTRUCTURE, PLANT AND EQUIPMENT, LAND AND BUILDING (cont'd)

(b)	COST/VALUATION				DEPRECIATION				NET BOOK VALUE
	At January 1, 2012	Additions	Disposals	At December 31, 2012	At January 1, 2012	Charge for the year	Disposal adjustment	At December 31, 2012	At December 31, 2012
	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	1,431,592	933	-	1,432,525	463,351	75,134		538,485	894,040
Navigational Aids	9,570	-	-	9,570	7,052	557		7,609	1,961
Tugs and Floating Crafts	638,896	-		638,896	187,916	39,648		227,564	411,332
Quays	3,836,903	11,605		3,848,508	917,094	194,004		1,111,098	2,737,410
Furniture and Equipment	32,555	1,601		34,156	28,689	1,659		30,348	3,808
Plant and Equipment	21,456	24		21,480	7,882	1,747		9,629	11,851
Cargo Handling Equipment	8,835	-		8,835	8,258	77		8,335	500
Marine Radio Equipment	12,830	-		12,830	9,006	2,475		11,481	1,349
Mooring Buoys and Ancillary Equipment	4,889	-		4,889	4,889	-		4,889	-
Motor Vehicle and Fire Fighting Equipment	43,757	1,423		45,180	31,971	6,721		38,692	6,488
Electrical Installation	9,398	2,866		12,264	5,228	1,020		6,248	6,016
Computer and Security Equipment	56,448	1,033		57,481	49,121	5,044		54,165	3,316
Fencing Port Area	64,694	-	-	64,694	63,945	250	-	64,195	499
Total	**6,219,373**	**19,485**	**-**	**6,238,858**	**1,784,402**	**328,336**	**-**	**2,112,738**	**4,126,120**

9. INFRASTRUCTURE, PLANT AND EQUIPMENT, LAND AND BUILDING, (cont'd)

(c)	COST/VALUATION				DEPRECIATION				NET BOOK VALUE
	At January 1, 2011	Additions	Disposal	At December 31, 2011	At January 1, 2011	Charge for the year	Disposal adjustment	At December 31, 2011	At December 31, 2011
	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	1,431,550	42	-	1,431,592	386,353	76,998	-	463,351	968,241
Navigational Aids	9,570	-	-	9,570	6,095	957	-	7,052	2,518
Tugs and Floating Crafts	639,525	2,871	(3,500)	638,896	146,951	44,115	(3,150)	187,916	450,980
Quays	3,822,748	14,155	-	3,836,903	723,454	193,639	-	917,093	2,919,810
Furniture and Equipment	31,690	2,621	(1,756)	32,555	28,853	1,592	(1,756)	28,689	3,866
Plant and Equipment	21,629	-	(173)	21,456	6,223	1,749	(90)	7,882	13,574
Cargo Handling Equipment	8,835	-	-	8,835	8,181	77	-	8,258	577
Marine Radio Equipment	12,706	124	-	12,830	6,482	2,524	-	9,006	3,824
Mooring Buoys and Ancillary			-	-				-	-
Equipment	5,500	-	(611)	4,889	4,950	489	(550)	4,889	-
Motor Vehicle and Fire Fighting									
Equipment	40,033	3,861	(136)	43,758	24,414	7,694	(137)	31,971	11,787
Electrical Installation	9,398	-	-	9,398	4,494	734	-	5,228	4,170
Computer and Security				-				-	-
Equipment	56,618	532	(703)	56,447	41,451	8,320	(650)	49,121	7,326
Fencing Port Area	64,694	-	-	64,694	57,351	6,594	-	63,945	749
Total	**6,202,046**	**24,206**	**(6,879)**	**6,219,373**	**1,445,252**	**345,482**	**(6,333)**	**1,784,401**	**4,434,972**

9. INFRASTRUCTURE, PLANT AND EQUIPMENT, LAND AND BUILDING (cont'd)

(d) The Authority's property, plant and equipment were last revalued at July 1, 2006 by Mr Alan Tinkler, Ramlackhan & Co, Chartered Surveyor. Valuations were made on the basis of open market value. The revaluation surplus was credited to revaluation surplus in Authority's reserves.

(e) Depreciation charge of Rs 316,645k (December 31, 2012: Rs 328,336k) in the statement of financial performance.

(f) If the following assets were stated on historical cost basis, the amount would have been:

	Cost	Accumulated Depreciation	Net Book Value
2013	**Rs**	**Rs**	**Rs**
Land	**46,060,000**	-	-
Building	**852,748,455**	**734,494,173**	**118,254,282**
Navigation Aids	**18,725,081**	**18,195,553**	**529,528**
Tugs and floating crafts	**742,978,172**	**416,678,788**	**326,299,384**
Quays	**2,764,743,900**	**1,053,813,537**	**1,710,930,363**
Motor Vehicles	**45,471,077**	**37,190,267**	**8,280,810**
Mooring Buoy & Other equipment	**18,471,263**	**3,364,271**	**15,106,992**
Fencing Port Area	**66,494,689**	**66,245,225**	**249,464**
	4,555,692,637	**2,329,981,814**	**2,179,650,823**
2012	**Rs**	**Rs**	**Rs**
Land	46,060,000	-	46,060,000
Building	852,338,736	704,308,268	148,030,468
Navigation Aids	18,725,081	17,988,545	736,536
Tugs and floating crafts	742,041,791	381,515,676	360,526,115
Quays	2,762,484,029	955,151,477	1,807,332,552
Motor Vehicles	47,008,800	41,449,777	5,559,023
Cargo Handling Equipment	20,327,421	19,827,422	499,999
Mooring Buoy & Other equipment	1,685,716	1,685,716	-
Fencing Port Area	66,494,689	65,995,672	499,017
	4,557,166,263	**2,187,922,553**	**2,369,243,710**
2011	**Rs**	**Rs**	**Rs**
Land	46,060,000	-	46,060,000
Building	851,405,351	658,190,771	193,214,580
Navigation Aids	18,725,081	17,781,537	943,544
Tugs and floating crafts	742,041,791	346,593,264	395,448,527
Quays	2,748,355,551	856,478,861	1,891,876,690
Motor Vehicles	45,586,099	36,585,915	9,000,184
Cargo Handling Equipment	20,327,421	19,750,498	576,923
Mooring Buoy & Other equipment	1,685,716	1,685,716	-
Fencing Port Area	66,494,689	65,746,298	748,391
	4,540,681,699	**2,002,812,860**	**2,537,868,839**

10. CAPITAL WORK IN PROGRESS

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

		December 31, 2013	December 31, 2012	December 31, 2011
		Rs'000	**Rs'000**	**Rs'000**
(a)	Bathroom and Toilet facilities at CID office	**-**	-	74
(b)	Extension and strenghting of MCT	**122,768**	48,654	25,748
(c)	Upgrading of Security Posts in Port Area	**7,699**	-	-
(d)	Construction of Ducts,installation of power cables	**-**	-	2,571
(e)	Rehabilitation of roads	**2,174**	1,189	-
(f)	Supply and Installation of Mooring Buoys	**-**	15,946	-
(g)	Upgrading of Capitainerie Building	**662**	497	-
(h)	Supply, Installation and commissioning of ERPS	**12,055**	-	-
(i)	Construction,Supply and Commissioning of four			
	landing Pontoons	**3,571**	-	-
		148,929	**66,286**	**28,393**

(ii) The cost of projects completed during the year are transferred and shown as additions during the period under infrastructure, plant and equipment.

(iii) The movement in capital work in progress over the period is as follows:

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	**Rs'000**	**Rs'000**
At January 1,	**66,286**	28,393	1,056
Additions	**100,775**	50,343	43,933
Transfer to Infrastructure, Plant and Equipment	**(17,722)**	(11,389)	(16,596)
Transfer to Land and Building	**(410)**	(1,061)	-
At December 31	**148,929**	66,286	28,393

11. TRADE AND OTHER PAYABLES

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	**Rs'000**	**Rs'000**
Deposit received	**39,105**	73,467	35,511
Accrued expenses and other payables	**55,524**	58,786	75,011
	94,629	132,253	110,522

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

12. BORROWINGS

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Non-current			
European Investment Bank (note (i))	-	-	35,657
Agence francaise de Development (note (ii))	153,000	-	-
	153,000	-	35,657
Current			
European Investment Bank (note (i))	-	36,843	34,604
	-	**36,843**	**34,604**
Total borrowings	153,000	36,843	70,261

(i) European Investment Bank (EIB)

Loan of ECUS 12m (equivalent US$ 13.7M) have been contracted by the Authority for the Mauritius Container Terminal Project. The loan bears interest rate at the weighted average rate of 3.16% p.a. and is repayable over 19 years inclusive of a 5 years moratorium period. The loan is secured and guaranteed by the Government of Mauritius. The outstaning balance was repaid in December 2013.

(ii) Agence Francaise de Development (AFD)

Loan of USD 42,556,800 have been signed by the Authority with Agence Francaise de Development for the Extension of Mauritius Container Terminal,dredging works and other associated works. An amount of USD 5.0 million has been disbursed in the year 2013. The Loan bears interest rate of 3.22 % 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	6-12 months	2-5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2013					
Total borrowings	-		51,000	102,000	153,000
At December 31, 2012					
Total borrowings		36,843	-	-	36,843
At December 31, 2011					
Total borrowings		34,604	35,657	-	70,261

12. BORROWINGS (cont'd)

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

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
After two years and before five years			
• European investment Bank	-		35,657
• Agence Francaise de Developement	**51,000**	-	-
Total non-current borrowings	**51,000**	-	35,657

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

(e) The effective interest rates at the end of the reporting period were as follows:

	December 31, 2013	December 31, 2012	December 31, 2011
	USD	USD	USD
European Investment Bank	**3.00-3.36%**	3.00-3.36%	3.00-3.36%
Agence Francaise de Development	**3.22%**		

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

13. PROVISIONS FOR OTHER LIABILITIES

	December 31, 2013 – Accumulated			December 31, 2012
	Passage benefits	Sick leaves	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	**15,549**	**42,526**	**58,075**	61,101
Paid during the period/year	**(8,798)**	**(9,772)**	**(18,570)**	(17,140)
Charge to statement of financial performance	**11,750**	**17,273**	**29,023**	14,114
At December 31,	**18,501**	**50,027**	**68,528**	**58,075**

	December 31 2012 Accumulated			December 31, 2011
	Passage benefits	Sick leaves	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	20,014	41,087	61,101	56,130
Paid during the year	(9,605)	(7,535)	(17,140)	(4,909)
Charge to statement of financial performance	5,140	8,974	14,114	9,880
At December 31,	**15,549**	**42,526**	**58,075**	**61,101**

Provision has been made for employee's passage benefits and accumulated sick leave entitlement up to the end of the reporting date. The amount charged to statement of comprehensive income has been included in 'Employee Benefit Expense' in Note 22.

MAURITIUS PORTS AUTHORITY

Notes To The Financial Statements - Year 2013

14. RETIREMENT BENEFIT OBLIGATIONS

The Authority has applied a change in the recognition of its retirement benefits obligations from the 10% corridor basis to immediate recognition of unrealised actuarial loss in FY 2013.

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Amount recognised in the statement of financial position as non-current liabilities:			
Pension benefits	**58,290**	45,721	19,884
Statement of financial performance charge:			
• Pension benefits	**39,711**	43,315	35,983

(a) Pension benefits

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

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

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Present value of funded obligations	**1,133,636**	920,830	893,088
Fair value of plan assets	**(669,394)**	(619,436)	(596,737)
	464,242	301,394	296,351
Unrecognised actuarial loss	**-**	(255,673)	(276,467)
Liability in Statement of Financial Performance	**464,242**	45,721	19.884

(iii) Movement in the liability recognised in the statement of financial position:

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
At January 1,	**45,721**	19,884	27,751
Prior year adjustment for pension	**255,673**	-	-
Total expenses charged in the statement of financial performance	**39,711**	43,315	35,983
Actuarial Loss Recognised in financial performance	**159,902**	10,398	5,140
Actuarial reserves transferred in	**-**	(10)	-
Contributions paid	**(36,765)**	(27,866)	(48,990)
At December 31,	**464,242**	**45,721**	**19,884**

14. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(iv) The movement in the defined benefit obligation over the period/year is as follows:

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
At January 1,	920,830	893,088	780,078
Current service cost	27,601	21,859	21,495
Interest cost	24,549	89,309	81,908
Fund Expenses	-	-	-
Benefits paid	(60,131)	(62,437)	(56,619)
Liability loss/(gain)	171,670	(20,989)	66,226
At December 31	**1,084,519**	**920,830**	**893,088**

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

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
At January 1,	619,436	596,737	581,796
Expected return on plan assets	49,118	58,417	61,024
Actuarial gains/loss	11,768	(10,593)	(44,850)
Employer contributions	36,764	27,866	48,991
Employee contribution	13,327	10,127	7,617
Actuarial reserves transferred in	-	10	-
Benefits paid	(61,019)	(63,128)	(57,841)
At December 31	**669,394**	**619,436**	**596,737**

(vi) The amounts recognised in statement of financial performance are as follows:

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Current service costs	27,601	21,859	21,495
Employee contribution	(13,327)	(10,127)	(7,617)
Fund expenses	888	691	1,221
Interest cost	24,549	89,309	81,908
Expected return on plan assets		(58,417)	(61,024)
Actuarial loss/(gain)recognised		10,398	5,140
Total included in employee benefit expense	39,711	53,713	41,123
Actual return/(deficit) on plan assets	60,886	47,824	16,174
Total include in statement of financial performance	159,902	-	-
Total include in statement of financial performance	199,612	47,824	16,174

MAURITIUS PORTS AUTHORITY

Notes To The Financial Statements - Year 2013

14. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(vii) The asset in the plan and the expected rate of return were:

	December 31, 2013		December 31, 2012		December 31, 2011	
	Rs'000	%	Rs'000	%	Rs'000	%
Government securities and cash	**395,612**	**59.10**	364,228	58.80	301,949	50.60
Loans	**32,800**	**4.90**	40,883	6.60	46,545	7.80
Local equities	**146,597**	**21.90**	130,081	21.00	138,443	23.20
Overseas bonds and equities	**89,699**	**13.40**	79,288	12.80	104,429	17.50
Property	**4,686**	**0.70**	4,956	0.80	5,371	0.90
	669,394	**100**	**619,436**	**100**	**596,737**	**100**

Assets issued or used by the reporting entity:	December 31, 2013	December 31, 2012	December 31, 2011
Percentage of assets at end of period/year	%	%	%
Assets held in the entity's own financial instruments	-	-	-
Property occupied by the entity	-	-	-
Other assets used by the entity	-	-	-

(viii) 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.

(ix) Expected contributions to post-employment benefits plans for the year ending December 31, 2013 are Rs 35.1m.

14. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(x) Amounts for the current and previous four periods are as follows:

	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	June 30, 2009
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Present value of defined benefit obligation	**1,133,636**	920,830	893,088	780,078	607,943
Fair value of plan assets	**(669,394)**	**(619,436)**	**(596,737)**	**(581,796)**	**(537,090)**
Shortage	**464,242**	**301,394**	**296,351**	**198,282**	**70,853**
Experience gain/(loss) on plan liabilities	**(171,670)**	**20,989**	**(66,266)**	**(122,888)**	**(1,904)**
Experience (loss)/gain on plan assets	**11,768**	**(10,593)**	**(44,850)**	**(6,860)**	**1,744**

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

	December 31, 2013	December 31, 2012	December 31, 2011
	%	%	%
Discount rate	**8.0**	10.0	10.5
Expected return on plan assets	**8.0**	10.0	10.5
Future salary increases	**5.5**	7.0	7.5
Future pension increases	**3.5**	5.0	5.5

MAURITIUS PORTS AUTHORITY

Notes To The Financial Statements - Year 2013

15. RESERVES

	Capital reserve	Reserve fund	Revaluation surplus	Investment fair value reserve	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2013	2,701,376	2,756,014	2,564,693	255,684	8,277,767
Prior year adjustment for pension		(255,674)	-	-	-
Transfer from retained earnings	-	510,000	-	-	510,000
Revaluation loss on disposal of property,plant and equipment	-	-	19	-	19
Pension recognition for current year	-	(159,902)	-		
Increase in fair value of available-for-sale financial assets (note 8(a))				41,351	41,351
At December 31, 2013	**2,701,376**	**2,850,438**	**2,564,712**	**297,035**	**8,829,137**
At January 1, 2012	2,701,376	2,249,014	2,564,693	215,510	7,730,593
Transfer from retained earnings	-	507,000			507,000
Increase in fair value of available-for-sale financial assets (note 8(a))	-	-	-	40,174	40,174
At December 31, 2012	**2,701,376**	**2,756,014**	**2,564,693**	**255,684**	**8,277,767**
At January 1, 2011	2,701,376	1,949,014	2,565,844	173,916	7,390,150
Transfer from retained earnings	-	300,000	-	-	300,000
Revaluation loss on disposal of property, plant and equipent	-	-	(1,151)	-	(1,151)
Increase in fair value of available-for-sale financial assets (note 8(a))	-	-	-	41,594	41,594
At December 31, 2011	**2,701,376**	**2,249,014**	**2,564,693**	**215,510**	**7,730,593**

(a) Reserve fund

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Port Development Reserve	**1,456,500**	1,201,500	948,000
General Reserve	**544,638**	807,214	655,114
Insurance Reserve	**849,300**	747,300	645,900
	2,850,438	**2,756,014**	**2,249,014**

15. RESERVES (cont'd)

(a) Reserve fund (cont'd)

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.

(b) Revaluation surplus

Revaluation surplus represents surplus on revaluation of certain property, plant and equipment. A revaluation was carried out by Mr. Alan Tinkler, Ramlackhan & Co, Chartered Surveyor, to revalue certain property, plant and equipment at July 1, 2006.

(c) Investment fair value reserve

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

16. VESSEL DUES

	2013	2012	2011
	Rs'000	Rs'000	Rs'000
Tug Services	**259,452**	223,095	192,762
Net Anchorage fees	**158,092**	152,278	146,574
Pilotage	**59,182**	50,509	41,072
Port Dues	**80,922**	70,781	41,674
Miscellaneous fees	**10,634**	19,170	16,501
Net Removal of Garbage fees	**1,288**	894	1,056
Net Seamen's Welfare Dues	**578**	558	622
	570,148	**517,285**	**440,261**

17. TRAFFIC DUES

	2013	2012	2011
	Rs'000	Rs'000	Rs'000
Bulk Cargo/Pipeline Dues	**128,570**	127,656	120,293
Quay Fees	**28,618**	29,035	26,366
Miscellaneous	**19,228**	15,036	15,152
	176,416	**171,727**	**161,811**

18. CONTAINER DUES

	2013	2012	2011
	Rs'000	Rs'000	Rs'000
Quay Fees - Import	**162,498**	154,404	143,249
Quay Fees - Export	**118,534**	110,011	100,902
Transhipment	**56,729**	72,424	45,110
Repositioning of container	**2,445**	2,990	2,108
	340,206	**339,829**	**291,369**

19. INVESTMENT INCOME

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Investment income represents income from:			
Quoted investments	**4,498**	7,093	5,552
Unquoted investments	**6,400**	4,131	2,522
	10,898	**11,224**	**8,074**

20. RENTAL INCOME

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 in and be deemed to be the property of the Authority but no value has been assigned to this land.

21. OTHER NON-OPERATING INCOME

	2013	2012	2011
	Rs'000	Rs'000	Rs'000
Insurance claims received	**383**	138	310
Pension contribution refunded by CHC	**1,645**	2,883	4,552
Others	**1346**	0	4,079
	3,374	**3,021**	**8,941**

22. EMPLOYEE BENEFIT EXPENSE

	2013	2012	2011
	Rs'000	Rs'000	Rs'000
Salaries, wages and allowances	**365,840**	312,567	299,943
Pension costs - defined benefit plans	**39,711**	53,713	41,123
Social security costs	**2,182**	2,035	1,924
	407,733	368,315	342,990

MAURITIUS PORTS AUTHORITY

Notes To The Financial Statements - Year 2013

23. ADMINISTRATIVE EXPENSES

	2013	2012	2011
	Rs'000	Rs'000	Rs'000
Audit fees	**575**	575	575
Professional fees	**4,648**	6,755	9,019
Office supplies	**2,881**	2,793	2,427
Telephone expenses	**2,860**	2,724	2,940
Overseas travelling	**1,161**	2,168	3,329
Insurance	**2,259**	2,105	2,276
Board member fees	**1,692**	1,252	1,228
Advertising costs	**690**	1,242	1,052
Training	**488**	657	815
Publications	**319**	1,528	1,396
Environmental expenses	**3**	16	3
Provision for Bad debts	**-**	12,000	-
Provision for slow moving inventory	**-**	3,000	-
Bad debts written off	**37**	-	-
Other expenses	**6,191**	9,978	10,741
	23,804	46,793	35,801

24. FINANCE COSTS

	2013	2012	2011
	Rs'000	Rs'000	Rs'000
Interest on loans repayable in instalments:			
European Investment Bank (EIB)	**1,054**	2,186	3,074
Agence Francaise de Development(AFD)	**3,756**	-	-
	4,810	2,186	3,074

25. SURPLUS INCOME FOR THE YEAR

	December 31, 2013	December 31, 2012	December 31, 2011
	Rs'000	Rs'000	Rs'000
Surplus income for the period/year is arrived at after:			
Crediting:			
Profit on disposal of property, plant and equipment	**2,228**	-	231
and charging:			
Depreciation on property, plant and equipment	**316,645**	328,336	345,482
Employee benefit expense (note 22)	**365,840**	312,567	299,943
Impairment losses on available-for-sale financial assets	**-**	-	-

26. OTHER COMPREHENSIVE INCOME

	Investment fair value reserve
December 31, 2013	**Rs'000**
Increase in fair value of available-for-sale financial assets (Note 8)	**41,351**
Acturial loss recognised (Note 14)	**(25,161)**
December 31, 2012	
Increase in fair value of available-for-sale financial assets	40,174

27. RECEIVABLE FROM CARGO HANDLING CORPORATION LTD (CHCL)

At reporting date, the Authority had a receivable of Rs 568,544 K (2012: Rs 626,316 K; 2011: Rs 688,108 K) from Cargo Handling Corporation Ltd (CHCL) analysed as follows:

	2013	2012	2011
	Rs'000	Rs'000	Rs'000
Included in trade and other receivables (Note 5)	**12,526**	12,108	53,888
Accrued Interest in trade and other receivables (Note 5)	**14,749**	28,035	58,547
Current portion of loan receivables (Note 7)	**76,995**	81,568	76,491
Non-current portion of loan receivables (Note 7)	**464,274**	504,605	499,182
	568,544	**626,316**	**688,108**

28. NOTES TO STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	2013	2012	2011
	Rs'000	Rs'000	Rs'000
		Restated	Restated
Surplus income for the year	**612,396**	617,647	377,746
Adjustments for :			
Depreciation on property, plant and equipment	**316,645**	328,336	345,482
Net foreign exchange Gain/loss	**20,533**	(74,714)	36,486
Investment income	**(10,898)**	(11,224)	(8,074)
Interest expense	**4,810**	2,186	3,074
Interest income	**(168,844)**	(132,637)	(117,850)
Profit on disposal of property, plant and equipment	**(2,228)**	-	(231)
Increase/(Decrease) in provision for retirement benefits obligations	**12,569**	25,837	(7,867)
Other Comprehensive income/(Loss)	**(9,623)**	(10,398)	(5,140)
Loss on disposal of inventory	**-**	-	14,824
Increase/(Decrease) in provision for doubtful debts	**(9,000)**	12,000	-
Provision for slow moving inventories	**(96)**	3,000	-
	766,264	**760,033**	**638,450**
Changes in working capital			
• inventories	**10,612**	(19,831)	(11,363)
• trade and other receivables	**1,675**	20,867	**5,637**
• trade and other payables and provisions for other liabilities	**(24,643)**	20,760	**(22,161)**
Cash generated from operations	**753,908**	**781,829**	**610,563**

28. NOTES TO STATEMENT OF CASH FLOWS (cont'd)

(b) Cash and cash equivalents

	December 31, 2013	December 31, 2012	December 31, 2011
		Rs'000	Rs'000
Cash in hand and at bank	831,109	156,161	312,300
Short term bank deposits	3,263,600	3,061,666	2,058,471
	4,094,709	**3,217,827**	**2,370,771**

29. RELATED PARTY TRANSACTIONS

(i)	Purchases of goods and services	Sales of goods and services	Financial income	Repayment of loans receivable	Amount written off	Loans receivables from	Amount owed by related parties	Amount owed to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
December 31, 2013								
Trading transactions								
Cargo Handling Corporation Limited	**40**	**128,946**	**24,135**	**40,179**	-	**541,269**	**12,526**	-
	40	**128,946**	**24,135**	**40,179**	-	**541,269**	**12,526**	-
December 31,2012								
Trading transactions								
Cargo Handling Corporation Limited	26	128,946	17,500	-	3,932	586,173	12,108	-
	26	**128,946**	**17,500**	**-**	**3,932**	**586,173**	**12,108**	**-**

29. RELATED PARTY TRANSACTIONS (cont'd)

(ii) Key management personnel compensation

	2013	2012	2011
	Rs'000	Rs'000	Rs'000
Salaries and short term employee benefits	6,986	8,540	7,972
Post-employment benefits	1,155	1,306	1,501
	8,141	**9,846**	**9,473**

(iii) The above transactions have been made at arms' length, on normal commercial terms and in the normal course of business.

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

(v) Loans receivable from Cargo Handling Corporation Limited represent advances for the purchase of Cargo Handling equipment, sale of rail mounted quay crane and their spareparts.These loans are secured by floating charges on the assets of the company and are repayable in 4, 7, 8 and 10 equal yearly instalments. The rate of interest on these loans vary between 3% to 7.5%.

(vi) 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.

30. FUTURE CAPITAL EXPENDITURE

The Board has approved capital expenditure for an aggregate amount of Rs.8.6 billion for the next five years for new projects and those which are in progress. The main projects include the following:

(a) Extension of quays at MCT, dredging works and other associated works
(b) Procurement of fire tenderer
(c) Upgrading of Quays and security fencing
(d) Upgrading of road network in Port Area
(e) Upgrading of Capitainerie Building
(f) Purchase of one pilot boat
(g) Cruise Terminal Building
(h) Procurement of two Big Tugs
(i) Procurement of pontoons
(j) Upgrading of MPT
(k) Extension of Quay 1
(l) Computerisation
(m) Infrastructure work at Fort William

31. 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.

32. EVENTS AFTER THE REPORTING DATE

There are no events subsequent to the reporting date which may have a material effect on the financial statements at December31,2013.

33. OPERATING LEASE ARRANGEMENTS

	Year 2013	Year 2012
	Rs'000	Rs'000
The Authority as lessor		
Rental Income earned		
From leased Properties	101,297	101,912
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.

34. PLEDGES AND SECURITIES

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

NOTES

NOTES

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