

# FISHERMEN INVESTMENT TRUST



FISHERMEN INVESTMENT TRUST

## ANNUAL REPORT 2011





# *TABLE OF CONTENTS*

<b>03</b>	<b>FIT's Business Framework, Mission, Vision and Objectives</b>
<b>04</b>	<b>Corporate Information</b>
<b>05</b>	<b>FIT Board, Committees and Management</b>
<b>06</b>	<b>Message of the Chairman</b>
<b>07</b>	<b>Report from the Officer-in-charge</b>
<b>08</b>	<b>Corporate Governance Report</b>
<b>14</b>	<b>Current Projects Development</b>
<b>17</b>	<b>Future prospects</b>
<b>18</b>	<b>Annual Estimates</b>
<b>19</b>	<b>Financial Highlights</b>
<b>20</b>	<b>Report from the Director of Audit</b>
<b>23</b>	<b>Financial Statements</b>
<b>34</b>	<b>Strategic Plan (2012-2015)</b>





## FIT AND ITS BUSINESS FRAMEWORK

The Fishermen Investment Trust (FIT) is a body corporate, established under the Fishermen Investment Trust Act 2006. FIT falls under the aegis of the Ministry of Fisheries. The Fishermen Investment Trust Act 2006 came into operation by proclamation with effect from 31 January 2007.

FIT has been primarily set up to enable fishermen to manage through fishing entitlements the resources around St. Brandon, Agalega and associated banks. FIT targets amongst others, artisanal fishermen and bank fishermen in order to promote the development and diversification of fishing operations. The setting up of FIT by the Government of Mauritius is part of a strategy to give fishing communities access to capital and support services and to help small scale operators expand into fishing zones previously excluding them. FIT, in line with Government's policy to exploit its enormous Exclusive Economic Zone (EEZ) of some 2.3 million km<sup>2</sup> that holds a good potential for expanding the country's fishing industry, has and will undertake various Programmes in the interest of the fishermen community at large.

### *Our Mission*

To accompany the Fishermen community to a better tomorrow through viable and sustainable initiatives and contribute to their social upliftment.

### *Our Vision*

To be a key player in the fishing industry while empowering the fishermen community to be a partner in the socio-economic development of the country.

### *Our Objectives*

- to acquire assets such as fishing vessels and fishing equipment
- invest in fish processing and fish marketing activities to support the livelihoods of fishermen
- grant loans to fishers, provide grants to children of fishers to pursue tertiary studies
- train fishers opting for running a small business and promote the welfare and socio-economic conditions of fishermen
- train either itself or in collaboration with any other organization, registered fishers thereby imparting to registered fishermen the necessary knowledge for the development of appropriate entrepreneurial skill to run a small fishing business
- create a hotline or desk service to give immediate assistance and attend to the fishermen community
- develop schemes and projects for the promotion of the welfare of registered fishermen.





## CORPORATE STRUCTURE

The shareholders of the Fishermen Investment Trust are the registered artisanal fishermen of Mauritius and Rodrigues. The Trust has an authorized share capital of 6.5 million shares and as of 31 December 2011, 1.5 million shares had already been issued for a value of Rupees Fifteen Million only.

### REGISTERED OFFICE

Fishermen Investment Trust  
Albion Fisheries Research Centre  
Albion  
Republic of Mauritius  
Tel : (230) 238 4472/75  
Fax : (230) 238 4472  
E-mail : [fit@mail.gov.mu](mailto:fit@mail.gov.mu)

### BANKERS

State Bank of Mauritius Ltd.  
SBM Tower  
1, Queen Elizabeth II Avenue  
Port Louis

Banque des Mascareignes  
Level 7, One Cathedral Square  
Jules Koenig Street  
Port Louis

### AUDITORS

Director of Audit  
National Audit Office  
Level 14, Air Mauritius Centre  
President John Kennedy Street  
Port Louis

### LEGAL ADVISER

The Solicitor-General  
Attorney General's Office  
5<sup>th</sup> Floor  
Renganaden Seeneevassen Building  
Port Louis





## **FIT BOARD, COMMITTEES AND MANAGEMENT**

### **BOARD OF DIRECTORS**

The Board of Directors of the Fishermen Investment Trust was reconstituted on 15 April 2011. The reconstituted Board is as follows:

#### **Chairman**

Gilbert Jyh Guang SHU

#### **Members**

Hurrydeo HEMRAZ

Louis Monfred ORIEUX

Joseph Jasmin RAPHAEL-SIROUX

Daroomalingum MAUREE

S. Piang Sang SEW HEE

Iswarlall JEEBODHUN

Vivay Kanum PURSUN

Guy WONG SO

Ravindraduth POONIE

Prof. Sunita FACKNATH

#### **Acting as Secretary to the Board**

Gowtum BOKHOREE

### **COMMITTEES OF THE BOARD**

Specific responsibilities are assigned to the subcommittees of the Board, namely the HR Committee, the Finance Committee and the Technical & Project Development Committee. These Committees act within the parameters of their clearly defined terms of reference. Ad-hoc committees on specific matters are also set up as and when required to tackle urgent issues which may arise from time to time.

#### **HR Committee**

##### **Chairman**

Daroomalingum MAUREE

##### **Members**

Iswarlall JEEBODHUN

Louis Monfred ORIEUX

#### **Finance Committee**

##### **Chairman**

Ravindraduth POONIE

##### **Members**

S.Piang Sang SEW HEE

Daroomalingum MAUREE

Hurrydeo HEMRAZ

#### **Technical & Project Development Committee**

##### **Chairperson**

Prof. Sunita FACKNATH

##### **Members**

Guy WONG SO

Vivay Kanum PURSUN

Hurrydeo HEMRAZ

Louis Monfred ORIEUX

### **GENERAL MANAGEMENT**

#### **Officer-in-charge**

Hansa Devi BEDACEE-DINDOYAL

#### **Ag. Finance & Investment Officer/Secretary**

Gowtum BOKHOREE





## MESSAGE OF THE CHAIRMAN

*On behalf of the Board of Directors, I am pleased to present the 2011 Annual Report of the Fishermen Investment Trust.*

*The main activities during the reporting period were focussed around the construction of three fishing boats to be loaned to fishers for outer lagoon fishing. One of the fishing boats was completed and await to be fully equipped to carry out long line fishing activities for tuna species.*

*It is also to be noted that as part of its corporate responsibilities, the Mauritius Export Association (MEXA) donated one fishing boat (9 metres in length) to the Fishermen Investment Trust. The boat (MEXA 1) underwent a major overhaul at the Grand River North West Boat Yard Ltd in September 2010 and improvement works were carried out under the supervision of the Overseas Fishery Cooperation Foundation (OFCF) experts. The cost of the overhaul was borne by the OFCF in line with the bilateral agreement signed between the Government of Mauritius and the Overseas Fishery Cooperation Foundation of Japan.*

*The two barachois at Poudre d'Or, namely the Petit Barachois and the Bassin Humbert were finally reserved for the Fishermen Investment Trust. The finalisation of procedures to vest the barachois with the FIT is underway. The FIT intends to start fish farming/aquaculture activities and/or any other integrated projects, which may include amongst others, viable tourism or leisure oriented activities in collaboration with a strategic partner.*

*The Brightfit Ltd (a joint venture between Brightwater Ltd and the Fishermen Investment Trust) was set up in 2008 to develop a sea cucumber project at St. Brandon had to cease operation in line with Government decision to ban the fishing of sea cucumbers in the maritime zone of Mauritius for a period of two (2) years.*

*Other projects are being screened and will be implemented soon.*

**Gilbert SHU**  
Chairman





## REPORT FROM THE OFFICER-IN-CHARGE

The year 2011 has witnessed a major a turning point for the Fishermen Investment Trust with the reconstitution of its Board for another period of three years. The new Board's main focus was geared towards bringing new innovations in the fisheries sector through collaborations and support of local and foreign research centres and the empowerment of fishermen.

With regards to the ongoing projects of the Fishermen Investment Trust, I am pleased to assert that FIT's first fishing boat was completed in November 2011 and would soon be made available to the fishermen community for fishing activities. Regarding the Barachois Project, confirmation was obtained in August 2011 from the Ministry of Housing & Lands that both the Petit and Grand Barachois have been reserved for FIT. In September 2011, FIT launched calls for Expression of Interest, inviting local and international investors to submit project proposals for the implementation of fish farming/aquaculture activities and/or any other integrated projects, which may include amongst others, viable tourism or leisure oriented activities such as restaurants, lodge and hotels with light recreational activities. A strategic partner is expected to be selected in the course of 2012. As regards FIT's sea cucumber project (in joint venture with Brightwater Ltd), same had to be kept on hold following the provisional ban imposed by the Government on the fishing of sea cucumbers.

From a financial perspective, it is discernible that FIT's revenues during the year under review have been fairly satisfactory compared to the 18-months period ended 31 December 2010. The grant of Rs. 2M from the parent Ministry has significantly contributed to the redress in FIT's profitability. Let alone, revenue generated from the sales of fish quota has been reasonably better than in 2009/10.

It transpires from industry figures that the fishing sector outlook for 2011 is better than 2010. There are clear signs of improvement, but uncertainty remains predominant and FIT is positioning itself to face the future with cautious optimism. In view of ensuring its financial sustainability, FIT will need to consider new business segments. I am more than convinced that with efforts and clear alignment of intentions, the reconstituted Board under the chairmanship of Mr. Gilbert Shu, would take FIT to the next level.

I take the opportunity to place on record my gratitude to the Hon. Minister of Fisheries and to the personnel of the Ministry of Fisheries for their unflinching support of FIT during this challenging year. I also wish to express my appreciation to the members of the Board for their valuable support and guidance throughout the year. My appreciative thanks also go to the staff of FIT for their commitment, contribution and hard work.

I hope that this Annual Report will constitute a valuable reference to the shareholders of the FIT and the stakeholders in the fishing industry.

**Hansa Devi BEDACEE-DINDOYAL**  
Officer-in-charge





## CORPORATE GOVERNANCE REPORT

Corporate governance involves a set of relationships between an organisation's management, its board, its shareholders and other stakeholders. More specifically, it refers to the way that a Board oversees the running of a company and how directors are held accountable to shareholders and to the organisation. Corporate governance provides the structure through which the objectives of the company are set and the means of attaining those objectives and monitoring performance are determined. Effective corporate governance practices are essential to achieving and maintaining high levels of public trust and confidence in the way the activities of an organisation are managed and controlled.

### STATEMENT OF COMMITMENT

The Board of Directors is at the core of the corporate governance practice adopted by the Fishermen Investment Trust (FIT) and oversees how Management serves and protects the long-term interests of all the stakeholders. The Board of Directors of the FIT is fully committed to and fully endorses the principles of the National Code of Corporate Governance for Mauritius, issued by the National Committee on Corporate Governance under the Financial Reporting Act 2004 (the 'Code'). In line with the Code, the Board has put in place various committees to assist in the execution of its responsibilities and to ensure compliance with the provisions as spelt out in the Code. As such, the Board remains unwavering in their approach to achieve high standards of corporate governance and global best practice. As and when necessary, committees are convened by the Board in view of dealing with specific issues of relevance to the Trust.

### KEY ROLES OF THE BOARD

- The Board of Directors is appointed to act on behalf of the shareholders and is generally supposed to manage the Trust on behalf of the shareholders, whilst effectively acting as trustees for the shareholders' interests. The rationale is to ensure the prosperity of the Trust by collectively directing its affairs, whilst meeting the appropriate interests of its shareholders and stakeholders.
- In addition to business and financial issues, the Board is mandated to deal with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.
- The Board sets the Trust's strategic targets, ensures that the necessary financial and human resources are in place for the Trust to meet its objectives and reviews management performance. The Board also sets the Trust's values and standards and ensures that its obligations to its stakeholders are understood and met.
- The Board is expected to supervise management (including setting management's compensation), undertake planning for the Trust and review the Trust's internal controls in order to ensure that the Trust is in compliance with the law. The Board Members are also supposed to ensure that the Trust is making good use of its assets.





## RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors is the highest governing authority within the management structure at any public company. The primary responsibility of the board of directors is to protect the shareholders' assets and ensure they receive a decent return on their investment.

Other responsibilities assigned to the Board of FIT include amongst others the following:

- Select, evaluate, and approve appropriate compensation for FIT's Chief Executive Officer (CEO), evaluate the attractiveness of and pay dividends, recommend stock splits, oversee share repurchase programs, approve the company's financial statements, and recommend or strongly discourage acquisitions and mergers.
- Determine the Trust's vision and mission to guide and set the pace for its current operations and future development.
- Determine and review the Trust's goals and policies
- Review and evaluate present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses and risks relating to the Trust.
- Determine strategic options, select those to be pursued, and decide the means to implement and support them.
- Determine the business strategies and plans that underpin the corporate strategy.
- Ensure that the Trust's organisational structure and capability are appropriate for implementing the chosen strategies.
- Delegate authority to management, and monitor and evaluate the implementation of policies, strategies and business plans.
- Ensure that internal controls are effective.
- Communicate with senior management and ensure that communications both to and from shareholders and relevant stakeholders are effective.
- Understand and take into account the interests of shareholders and relevant stakeholders.
- Monitor relations with shareholders and relevant stakeholders by gathering and evaluation of appropriate information.





## DIRECTORATE AND MANAGEMENT

The Trust is headed by a unitary board and the functions and responsibilities of the Chairman and that of the Chief Executive Officer are separate. Whilst the Board is led by the Chairman, the executive management of the Trust was led by a Chief Executive Officer until 30 September 2011. The Management of the Trust has been thereafter provisionally entrusted to Mrs. Hansa Devi Bedacee-Dindoyal, who acted as the Officer-in-charge.

The roles of the Board and Management are separate and recognized in terms of the Report on Corporate Governance for Mauritius. The role of the Board is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls, which enables risk to be assessed and managed.

Besides the Chairman, there were 10 other non-executive directors serving on the Board of FIT as at 31 December 2011. The executive presence is complemented by the presence of the Officer-in-charge. The non-executive directors (NED) are drawn from a diversity of Ministries and other backgrounds, so as to bring a broad range of views and experiences to Board deliberations. Although the Board is presently composed of non-executives, it is of the view that the spirit of the Code is being respected in view of the attendance and participation of the Directors at almost all Board Meetings and deliberations on matters such as strategy and investment.

The ten Non Executive Directors include:

- (a) 2 representatives of fishermen elected by the registered artisanal, bank and semi-industrial fishermen of Mauritius
- (b) 1 representative of fishermen from Rodrigues elected by the registered artisanal, bank and semi-industrial fishermen
- (c) a representative of the Ministry responsible for the subject of fisheries;
- (d) a representative of the Ministry responsible for the subject of finance;
- (e) a representative of the Ministry responsible for the subject of shipping;
- (f) a representative of the Outer Islands Development Corporation; and
- (g) not more than 3 other persons, having experience in administrative, economic, financial or commercial matters or in matters relating to the fishing industry

## BOARD INFORMATION

All directors receive regular information about the Trust so that they are equipped to play a full part in the deliberations of the Board Meetings and/or Committees. Papers for Boards and Committees are distributed prior to the relevant meeting/committee. All Board Members have access to the Trust's Acting Secretary for any further information they require.

## BOARD AND DIRECTORS APPRAISAL

For the year under review, no review of the Board or its Subcommittees was carried out.



## BOARD ATTENDANCE

The Board of FIT routinely meets at least monthly and additionally when necessary to consider all matters relating to the overall control, business performance and strategy of the Trust. The Board met 7 times during the year under review. The Board has defined specific terms of reference for its committees. The directors are kept regularly informed of the up to date business position of the Trust.

The following table shows the list of Board Members and the number of Board and Committee meetings held during the year under review and the attendance of individual directors.

MEMBERS	NORMAL BOARD MEETINGS	SPECIAL BOARD MEETINGS	HR COMMITTEE	JOINT FINANCE AND TECHNICAL & PROJECT DEVELOPMENT COMMITTEE
<b>Total Number of Meetings</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>1</b>
<b>Chairman</b>				
Mr. Jyh Guang SHU	3	3	n/a	n/a
Mr. Jacques DESBLEDS ( <i>ex-Chairman</i> )	n/a	1	n/a	n/a
<b>Representatives of fishermen from Mauritius</b>				
Mr. Hurrydeo HEMRAZ	3	3	n/a	1
Mr. Louis Monfred ORIEUX	3	2	1	1
<b>Representative of fishermen from Rodrigues</b>				
Mr. Josesh Jasmin RAPHAEL SIROUX	3	1	n/a	1
<b>Representatives of the Ministry responsible for the subject of fisheries</b>				
Mr. Daroomalingum MAUREE	1	Nil	Nil	1
Mrs. Hansa Devi BEDACEE-DINDOYAL	2	2	1	1
Mr. Leelawant UJOODHA ( <i>AR</i> )	Nil	1	Nil	Nil
<b>Representatives of the Ministry responsible for the subject of finance</b>				
SEW HEE S.Piang Sang ( <i>AR</i> )	2	3	Nil	Nil
<b>Representatives of the Ministry responsible for the subject of shipping</b>				
Mr. Iswarlall JEEBODHUN	2	2	1	Nil
Mrs. Meenaksi BHIRUGNATH-BHOOKHUN	1	3	Nil	Nil
<b>Representatives of the Outer Islands Development Corporation</b>				
Mr. Vivay Kanum PURSUN	Nil	4	Nil	1
<b>Members appointed by the Minister</b>				
Mr. Guy WONG SO	3	3	Nil	1
Mr. Ravindrath POONIE	2	4	Nil	Nil
Prof. Sunita FACKNATH	3	3	Nil	1

\* *AR stands for Alternate Representative*



## SIGNIFICANT CONTRACTS

No contracts of significance, loans or transactions existed during the year under review involving the Fishermen Investment Trust and the employees, the Chairman, the Directors or their related parties outside the ordinary course of operations.

## DIRECTORS' AND EMPLOYEES' SHARE INTERESTS

Subsection 5(1) of the FISHERMEN INVESTMENT TRUST ACT 2006 stipulates that the board of the trust shall consists of two representatives of fishermen elected by the registered artisanal, bank and semi-industrial fishermen and one representative of fishermen from Rodrigues elected by the registered artisanal, bank and semi-industrial fishermen. The interests of the Directors in the shares of the Trust as at 31 December 2011 are as follows:

		Ordinary shares
Mr. Hurrydeo Hemraz	<i>(Representative of Mauritian fisher community)</i>	300/-
Mr. Louis Monfred Orieux	<i>(Representative of Mauritian fisher community)</i>	300/-
Mr. J.J. Raphael Siroux	<i>(Representative of Rodriguan fisher community)</i>	300/-

## RELATED PARTY TRANSACTIONS

As part of its institutional support towards FIT during the year under review, the Ministry of Fisheries being the parent Ministry provided facilities like water, electricity, air-conditioning and other services like security and fire alarm system.

## REMUNERATION OF DIRECTORS

Directors are paid fees, traveling allowances, out of pocket & subsistence allowances (where applicable) for attending Board and Committee meetings. During the year under review, a total amount of **MUR 278,736/-** has been paid as Directors' fees and allowances.

## CODE OF ETHICS

The Trust is committed to a policy for fair, honest dealing and integrity in the conduct of its business. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly and legally. The Trust expects all employees to share its commitment to high moral, ethical and legal standards.





## DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

- ✦ The Directors are responsible for the preparation of the annual financial statements. The financial statements conform to the requirements of the Financial Reporting Standards (FRS) for Statutory Bodies, as specified in Part II Second Schedule of the amended Statutory Bodies (Accounts & Audit) Act. These FRSs are issued by the Financial Reporting Council, pursuant to Section 72 of the Financial Reporting Act 2004 (as amended in 2009).
- ✦ The financial statements fairly present the state of affairs of the Fishermen Investment Trust as at the end of the accounting period and the surplus/(deficit) and cash flows for that period.
- ✦ It is the responsibility of the independent auditors to report on the fair presentation of the financial statements. The Trust's external auditor, the Director of Audit, has full and free access to the accounting records in conducting his audit.
- ✦ The Directors are ultimately responsible for the internal controls of the Trust. Management enables the directors to meet these responsibilities. Standards and systems of internal controls are designed and implemented by management to provide reasonable assurance of the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for shareholder investments and assets.
- ✦ Accounting policies supported by judgments, estimates, and assumptions in compliance with FRS, are applied consistently to maintain a going concern. Systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.
- ✦ Based on the information and explanations given by management, the Directors are of the opinion that the accounting controls are adequate and that the financial records may be relied upon for preparing the financial statements in accordance with requirements of FRS and to maintain accountability for the Trust's assets and liabilities.
- ✦ The directors have a reasonable expectation that Trust will have adequate resources to continue in operational existence and as a going concern for the foreseeable future.
- ✦ The FIT Act 2006 requires the Trust to submit to the Minister, at least 3 months before the beginning of every financial year, in such manner as he may approve an estimate of the income and expenditure of the Trust for that financial year.
- ✦ Section 6A of the Statutory Bodies (Accounts and Audit) Act requires the Trust to prepare an Annual Report which shall consist of a 3-year Strategic Plan, the Annual Estimates, the Financial Statements and a Corporate Governance Report, in accordance with the National Code of Corporate Governance.
- ✦ Section 7 of the Statutory Bodies (Accounts and Audit) Act requires the Trust to submit to the auditor, the Annual Report of the Trust including the financial statements not later than 30 April after the end of every financial year.
- ✦ The Board adheres to the principles of good corporate governance.

APPROVED BY THE BOARD OF DIRECTORS AND SIGNED ON ITS BEHALF

  
.....  
Jyh Guang SHU  
Chairman

  
.....  
Guy WONG SO  
Board Member





## CURRENT PROJECTS DEVELOPMENT

### A. FISHING BOAT PROJECT FOR OUTER LAGOON & FAD FISHERY

#### FV MEXA 1

- In January 2010, as part of its Corporate Social Responsibility (CSR) Programme, the Mauritius Export Association (MEXA) donated a fishing boat to the Fishermen Investment Trust. The boat, registered as MEXA 1, has with prime object the promotion of outer lagoon and Fish Aggregate Device (FAD) fishery.
- In line with the bilateral agreement signed between the Government of Mauritius and the Overseas Fishery Cooperation Foundation (OFCF) of Japan, the MEXA 1 underwent a major overhaul of fishing boat MEXA 1. The cost of improvement works was funded by the OFCF, under close supervision of OFCF experts. The overhaul has enabled fixing of new fishing equipments. The rehabilitation work consisted of change of fish hold, self bailing deck, erection of cabin, hydraulic steering equipment, line hauler, navigation lights, etc.
- The Management of FIT is envisaging coming up with proposals and modalities with regards to the leasing of FV MEXA 1 to fisher's associations/cooperatives/chilled fish operators.



#### FIT NEW FISHING BOATS



- FIT awarded a contract to the GRNW Boat Yard Ltd following a tender exercise, for the construction, supply, commissioning and testing of 3 fishing boats, for the total sum of Rs 10,350,000.00 (VAT Inclusive).
- In line with the Project, FIT enlisted the services of a professional marine surveyor in October 2010 to carry out inspections at every stage of construction, to ensure that the boats are built according to pre-defined specifications, norms and standards.
- One of the boats is now completed and the 2<sup>nd</sup> boat is about 50% completed. Construction of the 3<sup>rd</sup> boat has been postponed.





## B. BARACHOIS PROJECT

- The Cabinet at its meeting held on 22 August 2008 agreed to allocate the following two barachois to the FIT:

- a. Petit Barachois, which covers sea area of an extent of 8 Ha 197 m<sup>2</sup> together with an adjoining plot of land of an extent of 1 Ha 3718 m<sup>2</sup> and
- b. Bassin Humbert which covers sea area of an approximate extent of 46 Ha 4300 m<sup>2</sup> together with an adjoining plot of land of an extent of 5 Ha 00 m<sup>2</sup>.



- The aforementioned barachois have been officially reserved for FIT for the implementation of fish farming/aquaculture activities and/or any other integrated projects, which may include amongst others, viable tourism or leisure oriented activities such as restaurants, lodge and hotels with light recreational activities. However, the two barachois could not be instantly vested in FIT given that certain legal impediments had to be cleared. Procedures are underway.
- In August 2011, the FIT launched calls for Expression of Interest, inviting both local and international investors to submit project proposals for the exploitation of the barachois. The process is underway.

## C. FISH FARM PROJECT IN THE REGION OF BAMBOUS VIRIEUX



- In view of serving the interest of registered fishermen, the FIT is considering investing in a lagoon fish farm at Bambous Virieux, with the technical support of the parent Ministry and the Ferme Marine de Mahebourg (FMM) who is the pioneer of commercial marine fish farming in Mauritius.
- The FIT is presently seeking a strategic partner to finance the project





#### **D. SEA CUCUMBER PROJECT**

- The Brightfit Ltd (a joint venture between Brightwater Ltd and the Fishermen Investment Trust) set up in 2008 to develop a sea cucumber project at St. Brandon had to cease operation in line with Government decision to ban the fishing of sea cucumbers in the maritime zone of Mauritius for a period of two (2) years.





## FUTURE PROSPECTS FOR FIT

In line with Governments vision for an Ocean State and sustainable development in the sector, the Fishermen Investment Trust projects to embark on the following projects in the near future:

- **The commercial culture of crabs** using the Re-circulating Aquaculture System (RAS) developed in Malaysia. Recirculating Aquaculture Systems (RAS) are the newest form of fish farming production system. RAS are typically an indoor system that allows for farmers to control environmental conditions year round.
- **Development of the Poudre d'Or barachois** with a strategic partner. An integrated project is understudy. Potential investment might oscillate around Rs. 200 million.
- In collaboration with the Albion Fisheries Research Centre and a strategic partner, develop a **sanctuary project for the tiger shrimp, (*Peneus Monodon*)**. It is to be noted that Mauritius has so far not recorded the occurrence of the white spot disease attacking crustaceans. Big producers of the *P.Monodon* shrimp such as Mozambique and Madagascar in the region and most of the South East Asian countries have seen their stocks being disseminated with the disease. Mauritius could play a major role in supplying disease free bloodstock or juveniles to these countries.
- **The culture of the high value eels**. Eels are in high demand in South East Asia and the supply is still lacking. A turnover of some 235 million US\$ annually is estimated.
- **Mauritius Blue** - a conservation project in collaboration with other ministries and various partners to address the overexploited lagoon and restore corals, fish stock, mangrove propagation and also address alternative employment for fishers.



## ANNUAL ESTIMATES - 2011

	Rs	Rs
<b>REVENUE</b>		
Grant from Ministry*	4,500,000	
Interests	400,000	
Sales of fish quota	500,000	
<b>TOTAL REVENUES</b>		<b>5,400,000</b>
<b>EXPENSES</b>		
<b>Operating:-</b>		
Director fees	280,072	
Air Tickets for Board Member	45,579	
Retainer fees	24,000	349,651
<b>Administrative:-</b>		
Staff costs	1,289,714	
Utility charges	25,719	
Printing, postage & stationery	103,925	
Press advertisements	50,000	
Catering & refreshments	5,830	
General expenses	5,370	
Audit fee	60,000	1,540,558
<b>Others:-</b>		
Insurance cover for fishing boats	375,000	
Fuel for new fishing boats	150,000	525,000
<b>CAPITAL EXPENDITURES</b>		
Acquisition of property, plant & equipment	5,000	5,000
<b>TOTAL EXPENSES</b>		<b>2,420,209</b>

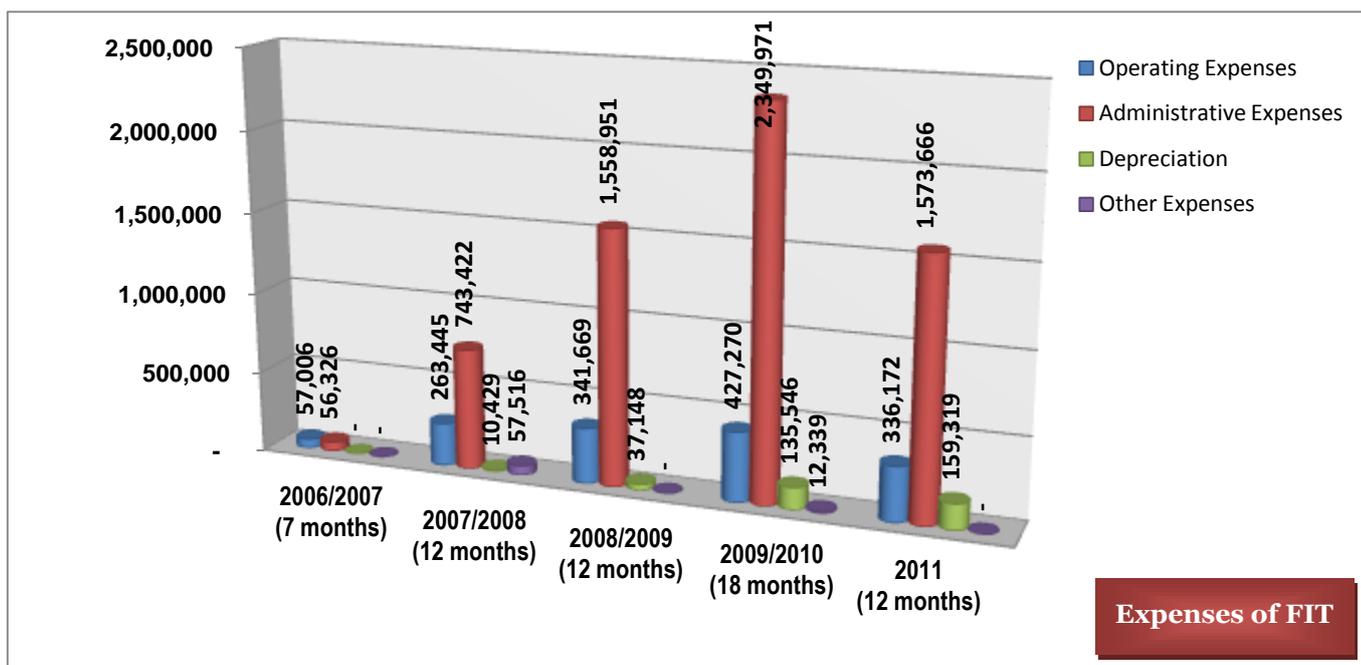
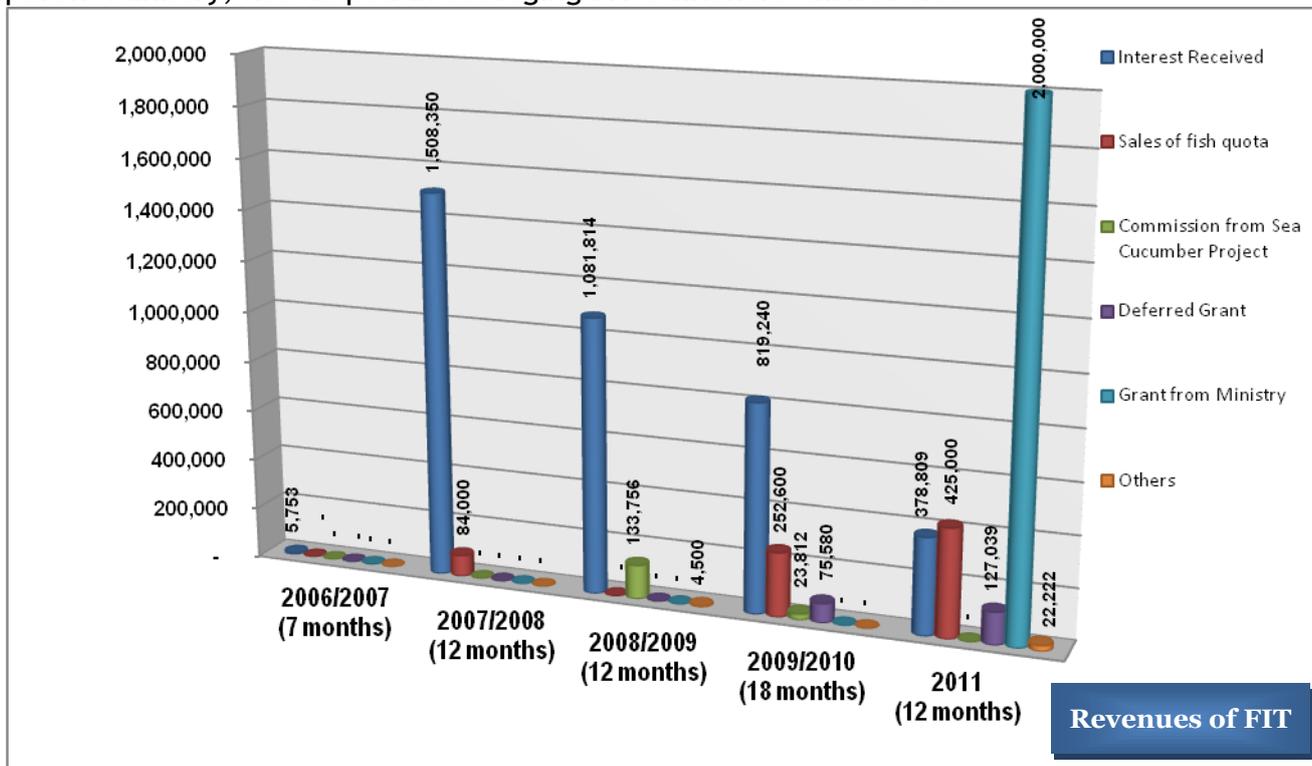
\* It is to be noted that in May 2010, the FIT had requested the parent Ministry to provide funds to the tune of Rs 4.5M to be used as follow:

- Rs 2.0 M to meet the operating costs of FIT and
- Rs 2.5 M to meet partly cost of a fourth fishing boat and purchase of fishing gears for the new fishing boats.

However, the FIT has insofar received only Rs 2.0 M from the parent Ministry to meet its operating costs.

## FINANCIAL HIGHLIGHTS

During the year under review, the revenues accrued to FIT have not been as projected. The recurring decline in the Repo Rate has not helped either as the interests received by FIT on its savings account have been constantly decreasing over the years. It is to be noted that the one-off grant of Rs. 2M received by FIT during the financial year from the parent Ministry, has helped in assuaging FIT's financial difficulties.





## **FINANCIAL STATEMENTS**

### **REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE FISHERMEN INVESTMENT TRUST**

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

I have audited the accompanying financial statements of the Fishermen Investment Trust which comprise the statement of financial position as at 31 December 2011, the statement of financial performance, the statement of changes in General Fund, and the statement cash flows for year then ended, and a summary of significant accounting policies and other explanatory notes.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Reporting and Accounting Standards issued under the Statutory Bodies (Accounts and Audit) Act; and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

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

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





## Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Fishermen Investment Trust as at 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with the Financial Reporting and Accounting Standards issued under section 72 of the Financial Reporting Act.

## Report on Other Legal and Regulatory Requirements

### *Management Responsibility*

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

### *Auditor's Responsibility*

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them. This responsibility includes performing procedures to obtain audit evidence about whether the entity's expenditure and income have been applied for the purposes intended by the legislature. Such procedures include the assessment of risks of material non-compliance.

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

### *Opinion on Compliance*

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

The Statutory Bodies (Accounts and Audit) Act requires every statutory body to prepare an annual report which shall consist of a report highlighting a 3-year strategic plan, the annual estimate of income and expenditure, the financial statements and a corporate governance report.

However, only the financial statements for the year ended 31 December 2011 were submitted to my Office on 6 June 2012, that is after the statutory time limit of 30 April 2012.

I have obtained all information and explanations I have required for the purpose of my audit.

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





### *Public Procurement Act*

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

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

### *Financial Reporting Act*

The Directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius (“Code”). My responsibility is to report on those disclosures.

### **Emphasis of Matter**

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

The Fishermen Investment Trust has not been in a position to embark/complete activities it had planned to carry out. In spite of a government grant of Rs 2 million, the General Fund showed a debit balance of Rs 1,182,220. Should the FIT not be able to generate income in the foreseeable future, it may not be able to operate as a going concern.



(Dr R. JUGURNATH)

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

7 December 2012





## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Notes	Year ended 31 December 2011 Rs	18-months period ended 31 December 2010 Rs
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	3	2,489,087	1,665,695
		<u>2,489,087</u>	<u>1,665,695</u>
<b>Asset under Construction</b>			
Fishing Boats	4	6,179,118	3,657,000
		<u>6,179,118</u>	<u>3,657,000</u>
<b>Asset Held for Sale</b>			
Investment in Associate	5	300	300
		<u>300</u>	<u>300</u>
<b>Current Assets</b>			
Consumable Biological Asset	6	5,550,000	4,755,350
Trade & Other Receivable		-	52,500
Cash & Cash Equivalents	7	10,564,050	9,622,901
		<u>16,114,050</u>	<u>14,430,751</u>
<b>TOTAL ASSETS</b>		<b><u>24,782,555</u></b>	<b><u>19,753,746</u></b>
<b>FINANCED BY</b>			
<b>Equity</b>			
Issued Share Capital	8	15,000,000	15,000,000
Other Reserves	9	5,560,000	4,765,350
General Fund		(1,182,220)	(2,066,133)
		<u>19,377,780</u>	<u>17,699,217</u>
<b>Non-Current Liabilities</b>			
Deferred grant on donated asset	10	2,286,693	1,436,020
		<u>2,286,693</u>	<u>1,436,020</u>
<b>Current Liabilities</b>			
Trade and Other Payables	11	3,118,082	618,509
		<u>3,118,082</u>	<u>618,509</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b><u>24,782,555</u></b>	<b><u>19,753,746</u></b>

  
 .....  
 Chairman  
  
  
 .....  
 Board Member

4/12/2012  
 .....  
 Date  
  
 4/12/12  
 .....  
 Date



**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	Year ended 31 December 2011 Rs	18-months period ended 31 December 2010 Rs
<b>REVENUE</b>			
Grant from Ministry		2,000,000	-
Proceeds from sales of fish quotas		425,000	252,600
Deferred grant	<b>10</b>	127,039	75,580
Other Income	<b>12</b>	401,031	819,240
Commission received		-	23,812
<b>Total Revenues</b>		<b>2,953,070</b>	<b>1,171,232</b>
<b>EXPENSES</b>			
Operating Expenses	<b>13</b>	336,172	427,270
Administrative Expenses	<b>14</b>	1,573,666	2,349,971
Depreciation		159,319	135,546
Other Expenses		-	12,339
<b>Total Expenses</b>		<b>2,069,157</b>	<b>2,925,126</b>
<b>Surplus/(Deficit) for the Year</b>		<b>883,913</b>	<b>(1,753,894)</b>





**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Year ended 31 December 2011 Rs	18-months period ended 31 December 2010 Rs
<b>Surplus/(Deficit) for the period</b>	<b>883,913</b>	<b>(1,753,894)</b>
Adjustments for items not involving cash:		
Depreciation on property, plant and equipment	159,319	135,546
Deferred Grant on donated asset	(127,038)	(75,580)
Provision for replacement cost	-	10,000
Loss on disposal of asset	-	2,339
<b>Net cash generated from operating activities</b>	<b>916,194</b>	<b>(1,681,589)</b>
Working Capital changes:		
(Increase)/decrease in receivables	52,500	(10,115)
Increase/(decrease) in payables	2,499,573	257,708
(Increase)/decrease in work-in-progress	(2,522,118)	(3,657,000)
<b>Net movement in working capital</b>	<b>29,955</b>	<b>(3,409,407)</b>
Investing activities:		
Investment in Associate	-	-
Purchase of property, plant and equipment	(5,000)	-
<b>Net cash used in investing activities</b>	<b>(5,000)</b>	<b>-</b>
Financing activities:		
Cash injection	-	-
<b>Net Cash used in financing activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>941,149</b>	<b>(5,090,996)</b>
Cash and cash equivalents at start	9,622,901	14,713,897
<b>Cash and cash equivalents at end</b>	<b>10,564,050</b>	<b>9,622,901</b>





## STATEMENT OF CHANGES IN GENERAL FUND FOR THE YEAR ENDED 31 DECEMBER 2011

	Year ended 31 December 2011 Rs	18-months period ended 31 December 2010 Rs
Opening Balance	(2,066,133)	(312,239)
Profit/(Loss) for the Accounting Period	883,913	(1,753,894)
Closing Balance	<u><u>(1,182,220)</u></u>	<u><u>(2,066,133)</u></u>





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 1. INCORPORATION AND ACTIVITIES

The Fishermen Investment Trust is a body corporate under the Fishermen Investment Trust Act 2006 and falls under aegis of the Ministry of Fisheries and Rodrigues. The act was proclaimed with effect from 31 January 2007. FIT operates on a commercial basis and have due regard to the interest of registered fishermen in general.

The objectives of FIT are to invest directly or through a body controlled by it in:

- a) fishing activities;
- b) fish processing activities;
- c) fish marketing and
- d) such other activities related to the fishing industry as may be approved by the Board.

### 2. ACCOUNTING POLICIES

The following principal accounting policies have been adopted while preparing the financial statements:

#### (a) **Basis of preparation**

The Financial Statements have been prepared in compliance with the financial reporting and accounting standards issued under section 72 of the Financial Reporting Act.

Financial assets and liabilities and non financial assets and liabilities are stated at amortized cost or historical cost.

Figures in the Financial Statements are presented in Mauritian Rupees. The level of rounding used in presenting the amounts in the Financial Statements is to the nearest Rupee.

#### (b) **Comparative Figures**

Whilst the current financial statements have been prepared based on a 12-months period, i.e. from 01 January 2011 to 31 December 2011, the comparative figures are of last audited accounts. The last financial statements were audited based on figures for an 18-months period, i.e. from 01 July 2009 to 31 December 2010. The length of the reporting period being different, the figures are thus not comparable.

#### (c) **Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and it can be reliably measured. Revenue is recognised by the Trust as it accrues unless collectability is in doubt.





**(d) Property, Plant & Equipment**

All property, plant and equipment are initially recorded at cost. Depreciation is calculated so as to write off the cost of these assets in use on a straight line basis over their expected useful lives.

The annual depreciation rates used for the purpose are as follows:-

Plant & Equipment	20%
Furniture & Fittings	10%
Computer & Software	20%
Fishing Boat	5%

Depreciation is calculated on a pro-rata basis in the year of acquisition.

**(e) Investment in Associate**

The investment has been valued at nominal value.

**(f) Cash and cash equivalents**

Cash and cash equivalents comprise of cash at banks and cash in hand.

**(g) Provision**

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of past event which, it is probable will result in an outflow of economic benefits that can be reasonably estimated to settle that obligation. At the time of effective payment, the provision is deducted from the corresponding expenses. All known risks at Balance Sheet date are reviewed in details and provision is made where necessary.



### 3. PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment Rs	Furniture & Fittings Rs	Computer Hardware Rs	Fishing Boat Rs	Total Rs
<b>Cost/Valuation</b>					
At 31 December 2010	6,425	195,258	133,746	1,511,600	1,847,029
Additions/Improvements	5,000	-	-	977,711	982,711
Disposal/Donation	-	-	-	-	-
<b>At 31 December 2011</b>	<b>11,425</b>	<b>195,258</b>	<b>133,746</b>	<b>2,489,311</b>	<b>2,829,740</b>
<b>Accumulated Depreciation</b>					
At 31 December 2010	3,820	44,744	57,190	75,580	181,334
Charge for the year	2,285	9,596	20,399	127,039	159,319
Disposal	-	-	-	-	-
<b>At 31 December 2011</b>	<b>6,105</b>	<b>54,340</b>	<b>77,589</b>	<b>202,619</b>	<b>340,653</b>
<b>Net Book Value</b>					
<b>At 31 December 2011</b>	<b>5,320</b>	<b>140,918</b>	<b>56,157</b>	<b>2,286,692</b>	<b>2,489,087</b>
<b>At 31 December 2010</b>	<b>2,605</b>	<b>150,514</b>	<b>76,556</b>	<b>1,436,020</b>	<b>1,665,695</b>

### 4. ASSET UNDER CONSTRUCTION

In 2010, the Fishermen Investment Trust (FIT) awarded a contract for the construction, supply, testing and commissioning of three (3) fishing boats to the GRNW Boat Yard Ltd. The total contract value is **Rs. 10,350,000/-** inclusive of VAT. To this end, the following expenditures have been capitalized in the accounts:

	<b>Rs.</b>
Advance payment for 3 fishing boats	3,105,000/-
Amount due in respect of 1 <sup>st</sup> fishing boat	2,415,000/-
Fees payable to Marine Surveyor	552,000/-
Laboratory test fees	107,118/-
	<b><u>6,179,118/-</u></b>

### 5. ASSET HELD FOR SALE

In 2008, the FIT entered into a Public Private Partnership (PPP) and a 'Vehicle Company' was set up to materialise a sea cucumber project at St. Brandon. A fishing vessel namely FV Westfield No. 1 was acquired to undertake the fishing of sea cucumbers. As at date, FIT still retains a 30% stake in the PPP, which was acquired at a nominal fee of **Rs. 300/-**.

Following the cessation of its activities, the shareholders agreed to wind up the 'Vehicle Company'. It was also agreed that FV Westfield No.1 would be sold, on the condition that FIT would receive a one-off share of **Rs. 500,000/-** from the sale proceeds. After the settlement, FIT would dispose of its shares and rescind the Shareholders' Agreement.



## 6. CONSUMABLE BIOLOGICAL ASSET

FIT has been allocated a fish quota of 600 tonnes in the waters of St Brandon (Latitude 16°22'S to 16°51'S; Longitude 59°24'E to 59°48'E) and 400 tonnes at South Nazareth Bank (Latitude 15°S to 15°35'S; Longitude 60°10'E to 60°35'E). At present, the FIT does not have the capacity to exploit the quota but the Trust has embarked on the marketing of the fish quota and the fishery resources available in the defined exclusive zone. It is to be noted that the fish quota of 600 tones at St Brandon and 400 tones at South Nazareth would be marketed as chilled fish and frozen fish respectively.

Since the fish quotas are considered as a biological asset for the FIT, a study was commissioned in Year 2011 by the Regional Coastal Management Programme of the Indian Ocean Countries (RECOMAP-IOC), to make an economic valuation of the quotas allocated to FIT. Given the fact that the market price of fishes has constantly increased over the years, the Management of FIT is of the view that a fair and reasonable value of the fish quotas allocated to FIT should be assumed at **Rs. 6,000,000/-** (i.e. Rs. 6.00 per kilo).

## 7. CASH AND CASH EQUIVALENTS

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

	Year ended 31 December 2011 Rs	18-months period ended 31 December 2010 Rs
Current Account	278,066	158,568
Savings Account	10,285,121	9,462,762
Petty Cash	863	1,571
	<b>10,564,050</b>	<b>9,622,901</b>

## 8. SHARE CAPITAL

The authorised share capital of FIT shall be 65 million rupees made up of 6.5 million shares of 10 rupees each as follows -

- 1.5 million shares fully subscribed by Government; and
- 5 million shares to be subscribed at such time, in such manner and by such persons as the Board may determine.

As of 31 December 2011, the Government had subscribed 1.5 million shares in FIT. Most of these shares, which have been already allotted to the fishermen, are not transferable otherwise than:

- by way of succession on the death of a shareholder; or
- in such other manner or circumstances as may be prescribed.

As of 31 December 2011, 4461 registered fishermen of Mauritius and Rodrigues, have each received 300 shares in the FIT, valued at 10 rupees each.





## 9. RESERVES

Reserves balance includes:

- a) A Depreciation Reserve Fund of **Rs. 10,000/-** created pursuant to Section 14 of FIT Act 2006, to provide for replacement cost of items classified as property, plant & equipment and
- b) Fair value of the fish quotas remaining to FIT at 31 December 2011 in its specified zone in the waters of St. Brandon and South Nazareth. The value of these quotas has been estimated at **Rs. 5,550,000/-** after the sales of some **75t** of quotas to private operators.

## 10. DEFERRED GRANT

	Year ended 31 December 2011 Rs	18-months period ended 31 December 2010 Rs
Balance at 01 January	1,436,020	-
Received during the accounting year	977,711	1,511,600
Transfer to Statement of Financial Performance	<u>(127,038)</u>	<u>(75,580)</u>
Balance at 31 December	<u><b>2,286,693</b></u>	<u><b>1,436,020</b></u>

The boat donated by MEXA to FIT has been treated as a non-monetary grant from a third party in the books of FIT. The grant has been presented as a deferred benefit and is recognised as income on a systematic and rational basis over the useful life of the asset, estimated to be 20 years.

Furthermore, in line with the bilateral agreement signed between the Government of Mauritius and the Overseas Fishery Cooperation Foundation of Japan on the Project for rehabilitation of fisheries facilities for fisheries development in the Republic of Mauritius, FV MEXA 1 was sent to GRNW Yard Ltd in September 2010 to undergo improvement works under close supervision of OFCF Experts. It is believed that the overhaul would enable same to accommodate new fishing equipments and *inter-alia* to improve the performance of the fishing vessel.

The cost resulting from the rehabilitation works were met by OFCF Japan and was also treated as a non-monetary grant from a third party in the books of FIT.





## 11. TRADE AND OTHER PAYABLES

Trade and other payables are not interest bearing and are stated at their nominal value.

	Year ended 31 December 2011 Rs	18-months period ended 31 December 2010 Rs
Utility Charges	2,249	2,794
Staff Costs	6,611	3,715
Trade Creditors	2,967,000	552,000
General Expenses	42,222	-
Audit fees	100,000	60,000
	<b>3,118,082</b>	<b>618,509</b>

Trade creditors include:

- an amount of **Rs. 2,415,000/-** owed to GRNW Boat Yard Ltd for completing the construction of FIT's first fishing boat; and
- an amount of **Rs. 552,000/-** payable to a Marine Surveyor, representing plan approval fees to the tune of **Rs. 138,000/-** and fees amounting to **Rs. 414,000/-** for the follow-up of inspection on site during the construction of FIT's three fishing boats.

## 12. OTHER INCOME

	Year ended 31 December 2011 Rs	18-months period ended 31 December 2010 Rs
Interest on current account	5,500	16,591
Interest on savings account	373,309	800,548
Insurance Proceeds	22,222	-
Interest on fixed/term deposit account	-	2,101
	<b>401,031</b>	<b>819,240</b>





### 13. OPERATING EXPENSES

	Year ended 31 December 2011 Rs	18-months period ended 31 December 2010 Rs
Chairman's Fee & Allowance	230,681	322,225
Board & Committee Fees and Other Allowances	48,055	71,045
Air Tickets for Board Member	30,196	-
Accommodation for Board Member	3,240	-
Retainer Fees	24,000	34,000
	<b>336,172</b>	<b>427,270</b>

### 14. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2011 Rs	18-months period ended 31 December 2010 Rs
Staff Cost	1,403,133	2,151,325
Utility Charges	25,302	43,965
Stationeries & Office Requisites	41,441	86,141
Catering & Refreshments	8,462	7,759
Press Advertisements	5,290	(5,940)
General Expenses	90,038	66,721
	<b>1,573,666</b>	<b>2,349,971</b>





**STRATEGIC PLAN 2012-2015**

**FISHERMEN INVESTMENT TRUST  
STRATEGIC PLAN 2012/15**

**October 2012**





**List of Acronyms:**

AFRC	Albion Fisheries Research Centre
EEZ	Exclusive Economic Zone
FAO	Food and Agriculture Organisation
FIT	Fishermen Investment Trust
JICA	Japan International Cooperation Agency
MEXA	Mauritius Export Association
MOF	Ministry of Fisheries
MOI	Mauritius Oceanography Institute
MOU	Memorandum of Understanding
MRC	Mauritius Research Council
OFCF	Overseas Fisheries Cooperation Foundation
OIDC	Outer Islands Development Corporation
RAS	Recirculation Aquaculture System
UNDP	United Nations Development Programme





## 1. Background

The Fishermen Investment Trust (FIT) is a body corporate, established under the Fishermen Investment Trust Act 2006. FIT falls under the aegis of the Ministry of Fisheries. The Fishermen Investment Trust Act 2006 came into operation by proclamation with effect from 31 January 2007.

FIT has been primarily set up to empower fisher's, build capacity and promote the development fisheries and aquaculture in Mauritius. The setting up of FIT by the Government of Mauritius is part of a strategy to give the fishing community's access to capital and support services and to help small scale operators expand into fishing zones previously excluded to them. FIT is working in line with Government's policy to exploit its large Exclusive Economic Zone (EEZ) of some 2.3 million km<sup>2</sup> that holds a good potential for expanding the country's fishing industry.

The shareholders of the Fishermen Investment Trust are the registered artisanal fishermen of Mauritius and Rodrigues. The Trust has an authorized share capital of 6.5 million shares and at 31 December 2011, 1.338 million shares were issued to registered fishers for a value of 13.38 Million Rupees.

## 2. FIT's Mission

To accompany the Fishermen community to a better tomorrow through viable and sustainable initiatives and contribute to their social upliftment.

## 3. FIT's Vision

To be a key player in the fishing industry while empowering the fishermen community to be a partner in the socio-economic development of the country.

FIT has the following Objectives:

To invest directly or indirectly or through a body (vehicle company) in

- Fishing and Fish processing activities
- Fish marketing and other activities related to the fishing industry.

## 4. Institutional Framework

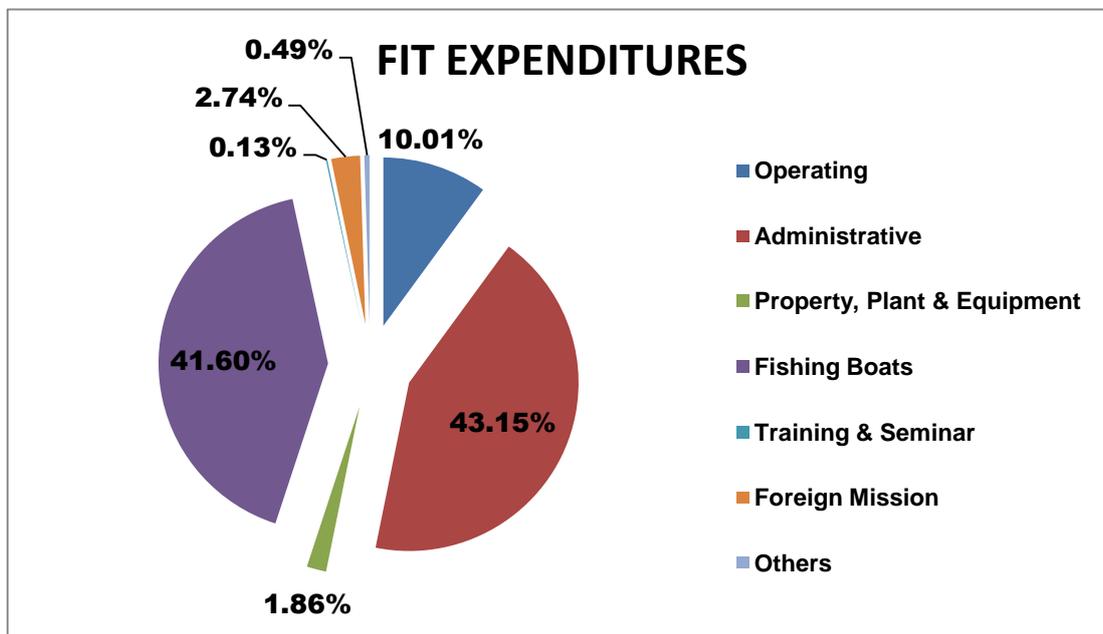
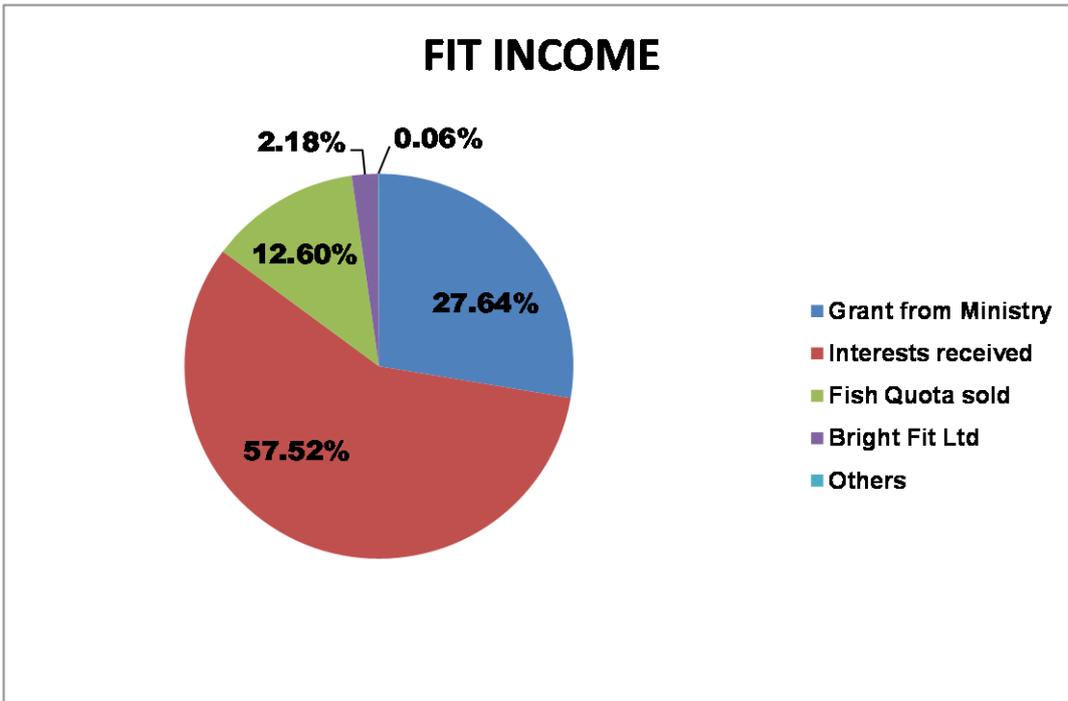
The Fishermen Investment Trust as a body corporate can invest with the private sector or any commercial concern or with fishers association/cooperatives through a vehicle company for projects in line with the FIT's vision and activities. These include fishing or processing or marketing activities or any related project in line with the government strategy for fisheries and aquaculture.





## 5. Income and expenses structure

As to date the FIT has the following income and expenditures structure:



The higher administrative expenses are mainly due to relocation of the FIT from Newport building to the FITEC and subsequently to AFRC and the offices had to be repaired, partitioned and repainted and new flooring done. This will need to be brought down in the coming years. The cost of the fishing boats also weighs heavy on the FIT's Finances.





## 6. Activities carried out to date.

- ✚ Construction of two fishing boats for outer lagoon fishing
- ✚ Rehabilitation of the fishing boat MEXA 1 with funding from the JICA.
- ✚ Training in collaboration with FITEC and OFCF in Marine engines and fishing around FAD's
- ✚ Allocation of 300 shares to all registered fishers in Mauritius and Rodrigues
- ✚ Collection and export of sea cucumber in collaboration with a strategic partner under Bright Fit Ltd.
- ✚ MOU with Sepang Today, Malaysia for capacity building in Aquaculture
- ✚ Setting of two fish cages for fishers cooperatives at Trou d'Eau Douce and Grand Gaube
- ✚ Request for funding of aquaculture cages from the UNDP, FAO and the Chinese Embassy.
- ✚ Preparation of a feasibility report for crab culture using the RAS

It should be noted that a new chairman took over in March 2011 and the new CEO started work in May 2012. Since their arrival the focus has been laid on aquaculture development. The two cages set up at Trou d'Eau Douce and Grand Gaube concern 28 fishers regrouped in two fisher's cooperatives. The two pilot projects are running pretty well.





## 7. Planned activities

### ● Corporate Plan 2009/11

In view of determining its activities for the years 2009 to 2011, the FIT prepared its first Corporate Plan, which was approved at the 22<sup>nd</sup> board meeting of FIT, held on the 27<sup>th</sup> February 2009. The Corporate Plan outlined the different projects that FIT was envisaging to embark on. It is to be noted that the FIT was not able to implement the cage culture project at Bambous Virieux due to a lack of funds, let alone the risks identified with the Project. A status on the various projects is given below.

#### ● *Sea Cucumber project at St. Brandon*

FIT entered into a Shareholders' Agreement with Brightwater Ltd on the 24 October 2008 and as such, Brightfit Ltd was set up to exploit the sea cucumber at St. Brandon. An amount of Rs. 157,568 was paid to the Fishermen Investment Trust until the FIT sold its shares to Brightwater Ltd in October 2012 due to the ban on fishing of sea cucumbers in the maritime zone of Mauritius for a period of two (2) years with effect from 1st August 2009.

#### ● *Cage culture at Bamboos Virieux*

In view of serving the interest of registered fishermen, FIT was considering investing in a lagoon fish farm at Bambous Virieux, with the technical support of the parent Ministry and the Ferme Marine de Mahebourg (FMM). In this context, a business plan was prepared and submitted to the Food Security Fund for funding. However, the FIT was verbally informed by responsible officers of the parent Ministry that the Food Security Fund Committee did not approve funding of the Project at its 16th meeting due to the risk associated with the Project.

#### ● *Acquisition of fishing boats*

In December 2009, FIT invited bids for the construction, supply and commissioning of 3 fishing boats. After a bidding exercise, the contract was awarded to GRNW Boat Yard Ltd in February 2010 for the total sum of Rs 10,350,000.00 (VAT Inclusive). As to date, one boat has been delivered and the 2<sup>nd</sup> boat is due to be delivered by December 2012. The Construction of the 3<sup>rd</sup> boat was stopped in December 2011.

#### ● *Barachois Project*

On 22 August 2008, Government agreed to the allocation of two barachois (Petit Barachois and Bassin Humbert) at Poudre d'Or to the FIT, for integrated projects. The FIT launched an expression of interest, however due to the lengthy process involved, it was proposed to seek a strategic partner and operate through a vehicle company. It is to be pointed out that the lengthy procedures from the Ministry of Housing do not help and the barachois is still not vested with the FIT.





## ● Strategic Plan 2012/15

Government's overruling strategy is to promote sustainable aquaculture in the Republic of Mauritius and its extensive Exclusive Economic Zone. There is no doubt that aquaculture can be a big boost to fisheries production in the country. It is to be noted that aquaculture is seen as an activity with a high economic potential and which can contribute to the objective of attaining sea food self sufficiency and at the same time limit lagoon stock depletion. Further, it is believed that aquaculture will offer better opportunities to some fishermen and their families in terms of employment, training and capacity building.

The Fishermen Investment Trust (FIT) endeavors in the medium and longer term to sensitize local stakeholders about the substantial benefits associated with aquaculture.

In this context, the FIT is proposing to focus on aquaculture development of high value species.

The following projects are in pipeline:

- ✚ Development of crab culture with strategic partners
- ✚ Development of eels culture with focus on exports
- ✚ Marine ranching of the sea cucumber at Agalega in collaboration with the OICD.
- ✚ Development of a sanctuary for the marine shrimp *P. Monodon* in collaboration with the UNIMA
- ✚ Commercial culture of the *P. Monodon* in collaboration with EUROMER
- ✚ Integrated aquaculture project at the Poudre d'Or barachois.
- ✚ Setting of cages for fish culture in partnership with fishers cooperatives
- ✚ Training of staff (FIT & AFRC & other stakeholders) in crab culture and project management
- ✚ Training of reconverted fishers in aquaculture and management of a small business
- ✚ Running of the Fish Auction Market in collaboration with strategic partners
- ✚ Commercial culture and export of live corals with AFRC as a strategic partner.

The FIT's future projects are in line with the ambitions of the Government to create an ocean state and to re-engineer the sea food hub with much emphasis laid on sustainable growth whilst preserving the marine eco-system. It is also expected that the projects would empower the fisher's community by bringing them to benefit fully from the development in the fishing sector. The above mentioned projects also aim at providing assistance to medium-scale enterprises in their poverty alleviation strategies and to improve the quality of life of local fishermen. The FIT is focusing on technical proficiency to make the aquaculture sector a pillar of our economy.





## 8. SWOT Analysis of the FIT

<b>Strength</b> <ul style="list-style-type: none"><li>▪ Support from MOF</li><li>▪ Good contacts (local &amp; abroad)</li><li>▪ Knowledge of the fishing &amp; aquaculture industry</li><li>▪ Dynamic team and support of the Board</li><li>▪ Strong affinities with AFRC</li></ul>	<b>Opportunities</b> <ul style="list-style-type: none"><li>▪ Build and implement a new vision</li><li>▪ Provide better income &amp; livelihood to fishers</li><li>▪ Attract potential investors (local &amp; foreign)</li><li>▪ Invest in high value species</li><li>▪ Partner with commercial interests</li></ul>
<b>Weakness</b> <ul style="list-style-type: none"><li>▪ Limited funding</li><li>▪ Slow procedures from Govt. agencies (MOF, Ministry of housing &amp; lands, Ministry of Finance)</li><li>▪ Lack of staff</li><li>▪ Lack of transport facilities</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>▪ financing</li><li>▪ Change in leadership of the FIT</li><li>▪ Insufficient staff</li><li>▪ economic situation</li></ul>





## 9. Work Plan

PROJECTS	2012				2013				2014				2015			
	1.Q	2.Q	3.Q	4.Q												
Development of crab culture with strategic partners																
Development of eels culture with focus on exports																
Marine ranching of the sea cucumber at Agalega in collaboration with the OIIC.																
Development of a sanctuary for the marine shrimp <i>P. Monodon</i> in collaboration with the UNIMA																
Commercial culture of the <i>P. Monodon</i> in collaboration with EUROMER																
Integrated aquaculture project at the Poudre D'or barachois.																
Setting of cages for fish culture in partnership with fishers cooperatives																
Training of staff (FIT & AFRC & other stakeholders) in crab culture and project management																
Training of reconverted fishers in aquaculture and management of a small business																
Running of the Fish Auction Market in collaboration with strategic partners																
Commercial culture and export of live corals with AFRC as a strategic partner																

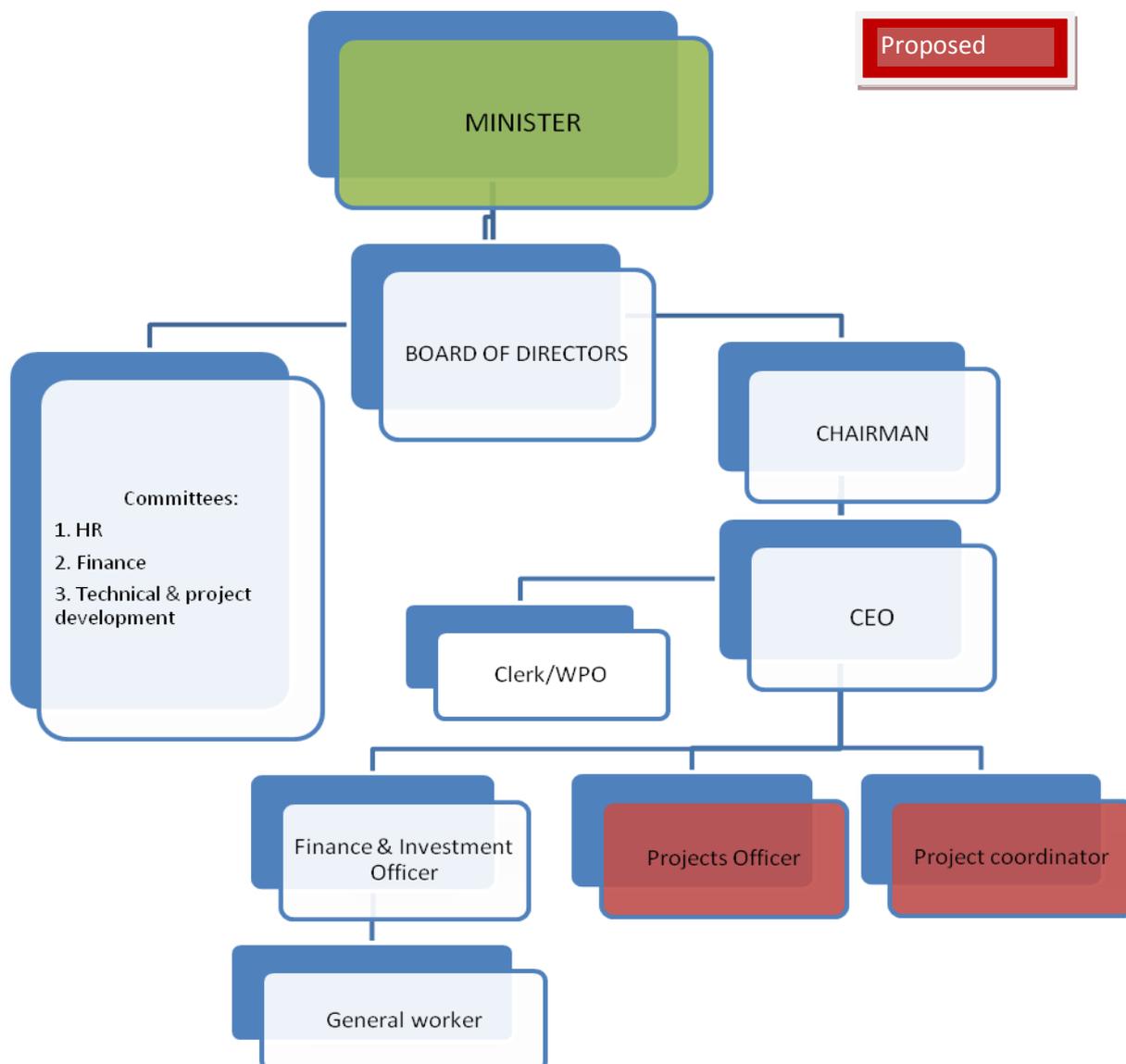


## 10. Way forward

There can be no development without adequate finances. Presently, the FIT is seeking strategic partners for a number of projects, if implemented can be very beneficial for the country and for the fisher’s community. However, implementation of other projects requires an initial funding.

The FIT will endeavour to work in collaboration with its various partners, namely the AFRC, the MOF, OIAC, MOI, MRC and other organisations within the region to bring about development within the fisheries and aquaculture sector.

## 11. Organigram of the FIT



*Note: The posts of Finance & Investment Officer, Administrative Secretary, Projects Officer, Project Coordinator and General Worker are in the process of being created on the establishment of FIT.*

