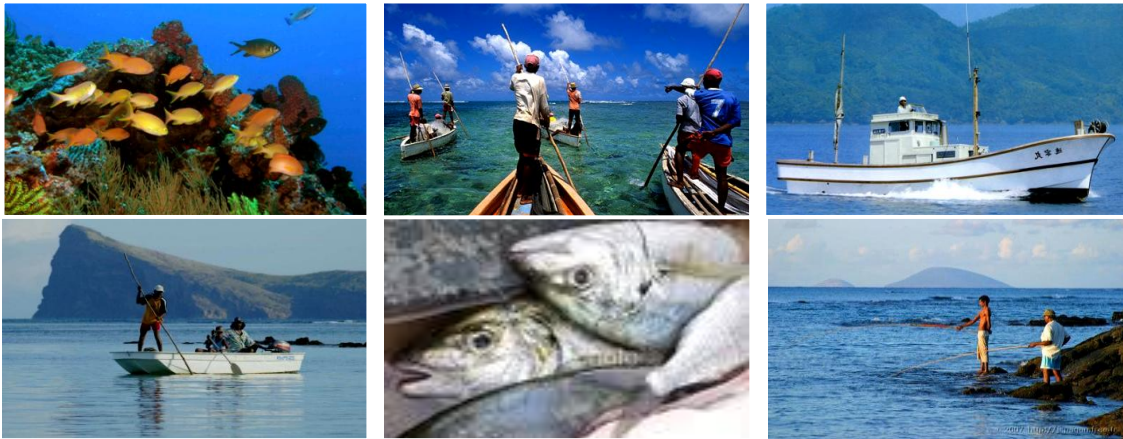




FISHERMEN INVESTMENT TRUST



ANNUAL REPORTS
for the Period 31 January 2007 to 30 June 2009



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FISHERMEN INVESTMENT TRUST

MISSION & VISION STATEMENT

✓ *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.



CORPORATE INFORMATION

Corporate Mission

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 Agro Industry, Food Production and Security. 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 constantly aims at democratising access to the fishery resources of Mauritius and giving due recognition to the fishing community. The Trust targets amongst others, artisanal fishermen and bank fishermen in order to promote the development and diversification of fishing operations. The objective of such a policy is to lead to increased access to capital and support services in favour of fishers and at the same time assist in the expansion of small scale operators to fishing zones not previously accessible to them.

FIT thereto operates on a commercial basis and its objects as spelt out in the Fishermen Investment Trust Act 2006 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.

Corporate Functions

The pivotal functions of the FIT are 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.

Other core functions include:-

- 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; and
- 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 at 30 June 2009, 1.5 million shares had already been issued for a value of Rupees Fifteen Million only.



FISHERMEN INVESTMENT TRUST

Registered Office

Fishermen Investment Trust
Ground Floor, FiTEC Building
Royal Road
Pointe aux Sables
Mauritius
Tel : (230) 234 7363/64
Fax : (230) 234 7363
E-mail : moa-fit@mail.gov.mu

Bankers

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

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

Auditors

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

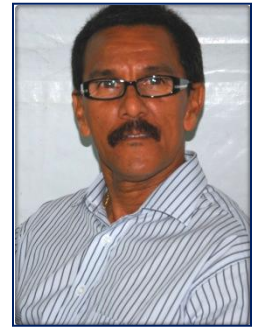
Legal Adviser

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



CHAIRPERSON'S STATEMENT

It is my privilege to present the Annual Reports of the Fishermen Investment Trust (FIT) together with the audited financial statements for the financial period 31 January 2007 to 30 June 2007 and for the financial years ended 30 June 2008 and 2009. The following words highlight the main developments and achievements of FIT for the period 31 January 2007 to 30 June 2009.



MR. J. DESBLEDS

I wish from the outset to acknowledge that since we took office in April 2007, we undertook to instill a culture of accountability by setting a “tone at the top”, to honour the responsibilities that arise from the trust placed on us by the Parent Ministry and shareholders of FIT. Besides, we endeavoured in implementing our own practices for corporate governance that promote integrity, transparency and accountability in view of enhancing and retaining the stakeholders’ trust.

I feel a lot of pride to state that in Year 2008 and in line with Government’s resolution, FIT proceeded to the free distribution of 300 shares to each of the 2,480 registered fishermen of Mauritius and 1,981 registered fishermen of Rodrigues. It should also be recalled that FIT as an investment arm of the Government, has a fiduciary duty to enhance and maximize long-term shareholders value. I would, hereby, like to seize the opportunity to reminisce the fact that in order to establish a comprehensive path for operations for Year 2009 to Year 2011, FIT formulated a Corporate Plan, which will serve as a yardstick for future performances. Same outlines the following four major projects:

- Project 1 - Exploitation of Sea Cucumbers in the waters of St. Brandon (incl. ranching)**
- Project 2 - Fish Farm Project in the region of Bambous Virieux**
- Project 3 - Fishing Boats for Outer Lagoon and FADs fishery**
- Project 4 - Barachois Project**

With regards to **Project 1**, FIT has already embarked on a Private Public Partnership (PPP) with a private company for the development of a sea cucumber project in the waters of St. Brandon. In this context, a Shareholders’ Agreement was signed on 24 October 2008. A new entity, namely Brightfit Ltd, has already been set up to materialise this Project. FIT has a 30% shareholding in Brightfit Ltd, with an option to acquire an additional 21% stake. FIT would be receiving a commission on the wet weight of sea cucumbers collected. The project also includes a ranching programme so as to ensure its sustainability.

Regarding **Project 2**, FIT has teamed up with the Fisheries Division of the Ministry of Agro Industry, Food Production and Security and the Ferme Marine de Mahebourg Ltd (FMM) for the cage farming of Red drum (Ombrine) in the region of Bambous Virieux. The Trust has already commissioned a Project Report accordingly. The FMM being the pioneer in the fish cage culture in Mauritius, has been approached to support the project by providing necessary expertise, technical assistance and supply of juveniles and feeds and to purchase the fish to be produced by the FIT. A Memorandum of Understanding between FIT and FMM highlighting the nature of assistance to be provided by FMM need to be finalized. However, pending certain technical issues being sorted out and funds being secured from the Food Security Fund to finance the fish farm activities, the project has been provisionally put on hold.



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As far as **Project 3** is concerned, FIT and MEXA have on 11 February 2009 signed a Memorandum of Understanding for the launching of a fishing project on a pilot basis. The project consists of the acquisition of fishing boats to promote outer lagoon and FADS fishery. FIT had on 04 June 2009 invited bids for the construction, supply, commissioning and testing of four (4) fishing boats. Expected bids shall be scrutinized by a Bid Evaluation Committee. Subject to the responsiveness of the bids, the contract may be awarded early in 2010. MEXA has on its part already ordered one fishing boat and shall officially handover same to the FIT by the end of 2009.

With reference to **Project 4**, Cabinet had at its meeting held on 22 August 2008 agreed to the allocation of two barachois to the Fishermen Investment Trust, namely Petit Barachois at Poudre d'Or and Bassin Humbert. These barachois would, *inter-alia*, serve as a platform for the implementation of an integrated project. As regards Bassin Humbert, legal impediments had to be cleared prior to its allocation to the FIT. The Ministry of Housing and Lands has been requested to exempt FIT from the payment of deposit and rental fees for land and sea amounting to some Rs. 3.6M. The matter is still at their level. It is to be noted that once these legal issues are cleared off, the Board of Investment and the National Empowerment Foundation would facilitate FIT in finding promoters for the sustainable development of integrated projects.

In line with its constant quest to create value, the Board is currently exploring alternative avenues to take the FIT forward. Against such a background, our current stance is one of caution as we look to diversify our income stream.

I wish to convey my thanks and gratitude to the members of the Board as well as to the Chief Executive Officer and his dedicated staff for their true professionalism in the deliberations of the Board and also for their assistance and support. I also wish FIT success in its future endeavour whilst strengthening the existing appropriate code of ethics, values and corporate code of conduct.

J. DESBLEDS
Chairperson



CHIEF EXECUTIVE OFFICER'S REPORT

It is my pleasure to present the Annual Reports of the Fishermen Investment Trust, covering the period 31 January 2007 to 30 June 2009.

The publication of this report comes at an opportune time to highlight the achievements and various projects involving capital investments that has been initiated by the Fishermen Investment Trust (FIT) since its inception.



MR. A.K. BUNWAREE

It is construed that the main problem associated with artisanal fisheries is that there is a lack of investment in this sector, which ultimately limits the areas actually fished to those close in shore lagoon. In these areas, resources are generally over-fished. Links between the artisanal sector with more capitalistic ones, such as the semi-industrial or the tourism sectors (eco-tourism and recreational fisheries) and FAD fisheries should be actively pursued to bring in new development facilities. In this respect, FIT has acted cautiously by investing albeit heavily, in the construction of 3 off lagoon fishing boats of about 9.5 mts, fully equipped for long line fishing activities near FADS to be installed in an outer ring, some 20 nautical miles off the coast of Mauritius. These facilities as well as general training are essential requirements for any kind of development and for alleviation of poverty and vulnerability among the coastal communities. This will undoubtedly bring about a huge improvement in terms of the redeployment of artisanal fishermen, post harvest technologies, trade and sustainable development in general.

There is definitely a potential for sustainable growth in the fisheries sector. However, improper management or adverse environmental factors could result in a recession. Thus, most of the effort should be directed towards the domestication of fishing capacity in tuna fisheries, value added technologies and better marketing strategies aimed at maximizing the revenue per ton fished in the Exclusive Economic Zone (EEZ) of Mauritius.

To conclude, I wish to underline that 2009 and beyond will be very challenging years for the FIT. There will be financial risks associated with the capital investment in projects for which mitigating measures will have to be taken. Risk Management policies will have to be formulated. Project Implementation Committee and Project Monitoring Unit will have to be set up.

I wish to thank the Chairperson and Board members of the FIT for their support and guidance over the past years. I also wish to extend my most appreciative thanks to FIT's Management team, staff for their dedicated service and their commitment towards achieving the FIT's corporate objectives and goals as highlighted in its Corporate Plan 2009-2011.

Last but not least, I wish to seize this opportunity to express my sincere gratitude and appreciation to the members of staff of the Parent Ministry as well as to the Hon. Minister of Agro-Industry, Food Production and Security for having positively responded to the challenges facing the FIT and for the institutional support extended to FIT.

A. K. BUNWAREE
Chief Executive Officer



FISHERMEN INVESTMENT TRUST

CORPORATE PLAN

2009/2011



FISHERMEN INVESTMENT TRUST

STATEMENT OF CHAIRPERSON

I am pleased to be associated with the launching of the first FIT Corporate Plan 2009 / 2011. Through this Corporate Plan the FIT is making known its strategic directions and demonstrating that we not only know where we are going, but that we have indeed chartered a path for the future.

Implementing this Corporate Plan and achieving the goals outlined present the FIT with a formidable challenge.

Further, it will assist the FIT in setting key performance indicators and targets aimed at achieving the strategic goals of the organization.

Jacques Desbleds
Chairperson



FISHERMEN INVESTMENT TRUST

FIT MANDATE

The Fishermen Investment Trust (FIT) is a Corporate Body established under the Fishermen Investment Trust Act 2006 and falls under the aegis of the Ministry of Agro Industry, Food Production and Security.

OBJECTS OF THE TRUST

As highlighted in the FIT Act 2006, the objects of the Trust shall be 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.

In carrying out its objects, the Board of the FIT shall:-

- (a) have due regard to the interests of fishermen in general; and
- (b) operate on a commercial basis and ensure that it earns a reasonable return on its investments.

POWERS OF THE TRUST

The Trust shall have such powers as are necessary to enable it to effectively discharge its functions and may -

- (a) acquire assets such as fishing vessels and fishing equipment;
- (b) grant loans to registered fishermen on such terms and conditions as it thinks fit;
- (c) provide grants or other financial assistance to the eligible children of registered fishermen for the pursuance of their tertiary studies;
- (d) organise training for its staff and for registered fishermen in collaboration with any institution in Mauritius or elsewhere;
- (e) impart to registered fishermen the necessary knowledge for the development of appropriate entrepreneurial skill to run a small fishing business;
- (f) create a hotline or desk service to attend to and give immediate assistance to the fishermen community;
- (g) advance and promote the welfare of registered fishermen and their families;



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- (h) develop schemes and projects for the promotion of the welfare of registered fishermen;
- (i) improve the socio-economic condition of registered fishermen; and
- (j) exercise such other powers as may be necessary to achieve its objects.



FISHERMEN INVESTMENT TRUST

INTRODUCTION

The Fishermen Investment Trust (FIT) is a Corporate Body established under the Fishermen Investment Trust Act 2006 and falls under the aegis of the Ministry of Agro Industry and Fisheries. The Act was proclaimed with effect from 31 January 2007. The Trust is administered by a Board of Directors comprising, inter alia, three democratically elected representatives of fishermen. (Two from Mauritius and one from Rodrigues).

This is the first Corporate Plan of the FIT and it covers the period 2009 - 2011. It has been prepared during a time of major challenges facing the Seafood Sector on both the domestic and international market following the recent credit crunch.

The Corporate Plan incorporates the principal actions required by the Fishermen Investment Trust to attain its objectives as highlighted in The Fishermen Investment Act 2006.

The plan demonstrates the Trust's commitment towards maintaining a progressive management system that emphasises a culture of sound business practices and principles. The Corporate plan covers, amongst others, the following key components:-

- a) Development of projects for the benefits of fishermen
- b) Concrete actions, during plan period, geared towards :-
 - Corporate Strengthening
 - Improving Operational Efficiency
 - Human Resources Development
 - Marketing
 - Project Management

The plan also spells out the principal actions required by the FIT, including the provision of adequate facilities to meet its objectives in the medium and long term, within the ambit of the FIT Act 2006.



FISHERMEN INVESTMENT TRUST

THE ECONOMIC CONTEXT

World economy and domestic economy

It is now established by all economists and official institutions that Gross Domestic Product (GDP) growth is slowing in almost all region of the globe. Some countries have even started registering negative growth (Recession). The downturn in the world economy is unlikely to be over in the immediate short term. Recovery will depend largely on when an upturn could be expected in the United States.

Many countries are taking bold measures to ease macroeconomic policies, particularly in the aftermath of the credit crunch and their near to collapse financial system. The Domestic Economy has not been spared in the aftermath of the credit crunch. The Textile & clothing and Tourism Sectors including the Services Sector are most likely to be affected. Though the Mauritian economy is quite resilient and well diversified, the government has been very proactive in its interventions, let alone the reforms initiated since 2006, in order to stimulate and sustain growth in other sectors of the Mauritian economy. Interest rate has recently been reduced by a further 100 basis point. This recent reduction in interest rate being the highest recorded.

It is expected that these measures along with the gradual abatement of oil prices on the world market would help to rebound economic activities and boost confidence in the short – term period ahead and contain inflation. Mauritius has so far managed its economy fairly well, but the real extent of the different shock waves should not be underestimated. This 2009 – 2011 Corporate Plan of the FIT analyses both domestic and international environment in which it is operating, and sets the objectives of the institution, priorities and strategies in light of its mandate. This will provide direction and unity of purpose throughout the organisation.



FISHERMEN INVESTMENT TRUST

ACHIEVEMENTS & CHALLENGES

Corporate Logo

The FIT organised a logo competition which was limited to children of registered fishermen of Mauritius and Rodrigues. A ceremony was held on 14 November 2007 for the unveiling of the corporate logo. The competition was won by Christophe Nicolas from Grand River South East.

The corporate logo describes FIT's picture of success, what it aspires to look like as it carries out its business in the future.



Ceremony for the unveiling of FIT's Corporate Logo and a ward of Shield to the Winner -14 November 2007



FISHERMEN INVESTMENT TRUST

MISSION AND VISION STATEMENTS

In March 2008, the Trust organised a workshop with representatives of associations of fishermen and other stakeholders for the crafting of its mission and vision statements. A consultant from KPMG acted as facilitator in the exercise for the crafting of the mission and vision statements. The vision statement describe FIT's picture of success, what it aspires to look like as it carries out its business in the future

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

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.*



FISHERMEN INVESTMENT TRUST

AWARD OF FIT SHARE CERTIFICATES

The Fishermen Investment Trust has in line with Government's decision allotted 300 shares freely to each registered fisherman of Mauritius and Rodrigues with effect from 30 January 2008. In this context, a ceremony for the symbolic handing over of share certificates to some 100 fishermen of Mauritius was organised on 2 June 2008 in collaboration with our Parent Ministry at the Sir Harrilal Vaghjee Hall. The remaining share certificates have been remitted to Fisheries Posts for handing over to fishermen.



Ceremony for the symbolic handing over of FIT Share Certificates at Sir Harrilal Vaghjee Hall, Port Louis – 2 June 2008

As regards the share certificates in respect of fishermen of Rodrigues, same has been transmitted over to the Rodrigues Regional Assembly for handing over.



FISHERMEN INVESTMENT TRUST

PROGRAMMES

Programme 1 - Sea Cucumber Project at St Brandon

The Fishermen Investment Trust (FIT) has embarked on a private public partnership (PPP) with Brightwater Ltd for the development of a sea cucumber project in the waters of St Brandon. A new entity, namely Brightfit Ltd, has been set up to materialize this project. The FIT has accordingly entered into a Shareholders Agreement with Brightwater Ltd and the Trust shall have 30% shareholding in the new entity with the option to acquire an additional 21% stake in the capital of Brightfit Ltd at the end of 3rd year of operations. The FIT would also be receiving a commission on the wet weight of sea cucumbers collected. A marine ranching programme shall be set up to ensure the sustainability of the project let alone the protection of the marine environment and eco-system at St Brandon.

Brightwater Ltd has already acquired a boat for the operations and a prospection trip has been effected on 29 October 2008. The company has in line with the Sea Cucumber Regulations 2008 applied for authorization to fish sea cucumbers at St Brandon and has obtained same from the Ministry.

Programme 2 - Fish Farm Project at Bambous Virieux

The FIT will team up with the Fisheries Division of the Ministry of Agro Industry, Food Production and Security for the setting up of cage culture at Bambous Virieux so as to provide new opportunities to fishermen. The Ferme Marine de Mahébourg (FMM) shall support the project by providing necessary expertise and assistance. The Human Resource Development Council (HRDC) shall be requested to mount appropriate training programmes in respect of fishers who will be directly involved in the implementation of the project. The FIT approached the RECOMAP (IOC) who gratefully agreed to finance the cost of consultancy services for the preparation of a Business plan. The firm KPMG and Mr O. Bourgeois, a foreign Consultant (Brussels), were accordingly enlisted by the RECOMAP to prepare the Business Plan. The Business Plan will, *inter alia*, outline the training needs and requirements in respect of fishers who will be directly engaged in the implementation of the project. The HRDC shall accordingly be asked to mount appropriate training programmes. Moreover, the Empowerment Programme shall be requested to support the project by providing a stipend to fishers who will undergo training. This will also build up capacity for prospective entrepreneurs who would be investing in similar aquaculture projects. The cost of the project is estimated at Rs15M. Funding will be met from the Food Security Fund.

Programme 3 - Acquisition of Fishing Boats – jointly with the Mauritius Export Association (MEXA)

Fishermen rank among the poorest classes of the Mauritian society and many of them face socio-economic problems and have not experienced an increase in their standard of living over the past decade. Most of them depend on middlemen for the provision or upkeep of boats, fishing gears, sails and outboard engines as well as financial support and are locked in debt traps. If nothing is done the fishermen would be left out of the development taking place in the sea food hub.

The FIT and the MEXA Investment Trust will set up a new entity with the objective to launch a fishing project with a view to promote outer lagoon and FAD fishery. The project shall be operated on a *pilot basis* and shall consist of the acquisition of six (6) fully equipped fishing boats with length of 9.15 meters and width of 3.05 meters. The new entity shall put the boats at the disposal of registered fishermen / associations of registered fishermen to carry out fishing activities in the EEZ of Mauritius.



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The ultimate aim of the project shall be to put fully equipped fishing boats at the disposal of registered fishermen and to impart to them new fishing techniques whereby they shall be able to increase their catch and preserve its quality with a view to have a better price and hence increase their standard of living. Data such as catch per fishing day, revenue of fishermen, fuel consumption shall be utilised for the preparation of a feasibility study / business plan. This will test the viability/ profitability of the operating concepts and will also pave the way for the gradual acquisition of 20 additional fishing boats from the undistributed profits.

The FIT and the MEXA Investment Trust shall sign a Memorandum of Understanding (MOU) for the implementation of the project. The MOU has already been vetted by the Solicitor General and once it is signed, the FIT will apply to the Ministry of Finance & Economic Empowerment for the disbursement of funds to the tune of Rs 5 M out of the Rs 15 earmarked for the FIT in the current Budget

Programme 4 - Barachois Project

Government has agreed to the allocation of (2) barachois to the FIT as follows:

- (i) Petit Barachois at Poudre d'Or for the implementation of an integrated project; and
- (ii) Bassin Humbert

As regards Bassin Humbert, legal impediments will have to be cleared prior to its allocation to the FIT.

Once the Petit Barachois is vested in the FIT, the Trust shall with the collaboration of the Board of Investment (BOI) invite expressions of interest for the development of integrated projects. All projects should take into consideration the interest of fishers and should promote sustainable integrated development. The FIT will ensure that fishers of the area will be given priority for employment wherever possible and will also ensure that women are granted a fair share of all positions available and not just in service-oriented and menial tasks.

A site visit was conducted at Petit Barachois at 10.00 hrs on 17 November 2008 by representatives of the FIT, Fisheries Division and the Ministry of Housing and Lands.

A debriefing session was held on the same day at 14.00 hrs at the Ministry of Housing and Lands. The latter has undertaken to have the site surveyed. Once the Surveyor's report is available, action will be initiated to vest the land in the FIT through the Ministry of Agro Industry, Food Production & Security.



FISHERMEN INVESTMENT TRUST

STRATEGIES FOR THE FIT

Corporate Strengthening

The organization design of the FIT is of vital importance as it aims at producing a logical, coherent, cohesive yet flexible structure to facilitate the achievement of the organisation's objective.

In this respect the FIT will focus on building of the ideal structure where work is divided into manageable units with each position having clear roles and responsibilities.

The main features of the corporate strengthening exercise comprise:-

- Development of long term vision
- Formulation of business strategies
- Crafting of an overall mission statement
- Development of organizational goals
- Development of community relations
- Management of government relationships
- Setting up of an accounting systems

The FIT has since its inception initiated several actions to ensure both corporate and management strengthening. One concrete action was the crafting of the Vision and Mission Statements for the FIT. A one day workshop was organised and KPMG acted as facilitator for the crafting exercise.

We have developed a corporate logo and a vision which describe FIT's picture of success, what we aspire to look like as we carry out our business in the future. In our vision we see ourselves 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 mission is to accompany the fishermen community to a better tomorrow through viable and sustainable initiatives and contribute to their social upliftment.

Moreover technical and project implementation committees have been established, as an arm of the FIT Board, to ensure sound internal control systems and provide the FIT with an appropriate framework for the development of a corporate culture of efficiency and integrity in all its transactions.



FISHERMEN INVESTMENT TRUST

KEY PERFORMANCE INDICATORS

The performance indicators shown below are used by the FIT to assess the financial performance of FIT operations. On the other hand, the charts showing the operational and financial projections of the FIT for the next three years would assist the FIT in the formulation of its requirements in terms of Human Resource, infrastructure, equipments etc i.c.w with its programmes as already highlighted.

FINANCIAL OUTLOOK

Financial period ended 30 June 2007

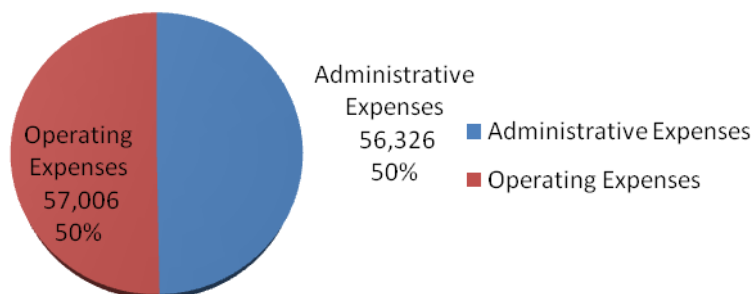
In line with the subscription of 1.5 million shares at a value of MUR 15,000,000/= in the Fishermen Investment Trust (FIT), a same amount was transferred in the Bank Account of FIT (held at SBM) on the 28th of June 2007.

Therefrom, FIT earned an interest of Rs. 5,753, which represents the only source of revenue for the above period.

However, in concurrence with the Accounting Concept of Accruals, FIT had to recognise expenses to the tune of Rs. 113,332, pertaining to the same Period. Thus, FIT culminated its Financial Period with a loss of Rs. 107,579. It is worth mentioning that figures advanced are unaudited.

The major costs borne are depicted hereunder:

Expenses in MUR



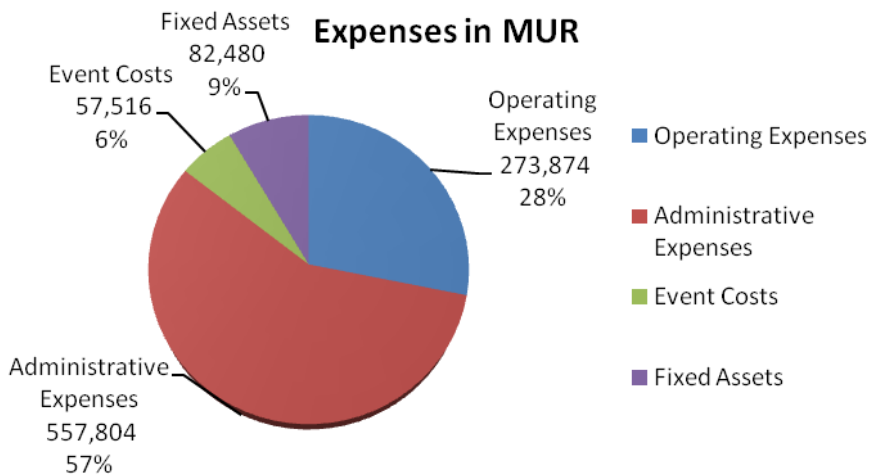


FISHERMEN INVESTMENT TRUST

Financial Year ended 30 June 2008

Financial Year 2007/2008 has been very positive in financial perspective in that FIT has been able to generate a substantial profit of Rs. 703,156. This achievement can be termed as very encouraging in the sense that FIT had not yet kick started its activities, that would have certainly yielded further earnings. The foremost sources of revenues during 2007/2008 were interest received on Fixed Deposit & Current Account and sales of fish quotas to Bank Fishing Operators. Amounts received were Rs. 1,508,350 and Rs. 84,000 respectively.

The core expenditures for FY 2007/2008 were:





FISHERMEN INVESTMENT TRUST

Statement of Comprehensive Income

	Financial Period ended 30.06.07 <i>(Unaudited)</i> MUR	Financial Year ended 30.06.08 <i>(Unaudited)</i> MUR	Financial Year ending 30.06.09 <i>(Projected)</i> MUR
REVENUES			
Interest on Fixed Deposit A/C	-	1,487,079	1,196,342
Interest on Current A/C	5,753	21,271	-
Sales of Fish Quotas	-	84,000	600,000
Commission on collection of sea cucumbers	-	-	150,000
Sub-Total	5,753	1,592,350	1,946,342
ADMINISTRATIVE EXPENSES			
Staff Cost	3,000	529,984	1,349,872
Stationeries & Office Requisites	-	19,148	48,416
Catering & Refreshments	-	2,939	12,113
Utility Charges	-	-	21,194
Press Advertisements	53,326	4,200	-
General Expenses	-	1,533	11,017
Sub-Total	56,326	557,804	1,442,612
OPERATING EXPENSES			
Chairman's Fee & Allowance	40,006	140,400	227,955
Board & Committee Fees and Other Allowances	17,000	66,525	132,797
Air Tickets for Board Member	-	56,520	68,165
Depreciation	-	10,429	37,148
Sub-Total	57,006	273,874	466,065
EVENT COSTS	-	57,516	-
PROFIT/(LOSS)	(107,579)	703,156	37,665



FISHERMEN INVESTMENT TRUST

Variance Analysis

Reasons for increase administrative expenses 2008 v/s 2007:

- Ad-hoc allowance to Ag Secretary upon his secondment to the Trust as from January 2008.
- Recruitment of CEO
- Basic office stationeries had to be purchased during FY 2007/2008 to ease paperwork and further payments had to be effected i.c.w printing of Share Certificates.

Reasons for increase operating expenses 2008 v/s 2007

- Fees paid to Chairperson in 2006/2007 were for only 4 months (pro-rata) whilst in 2007/2008, he was paid for a full year.
- Board fees & allowance has also augmented owing to the increased number of board meetings. Moreover, this augmentation can also be justified by out of pocket and subsistence allowances paid to Board Member from Rodrigues.
- As from FY 2007/2008, FIT begun to pay air tickets for Mr. C.Leopold, representative of Rodriguan fishermen and member of FIT Board, to attend board meetings of the Trust.
- Following the acquisition of non current assets in FY 2007/2008, provisions were made for depreciation.

Events Costs

- Event costs were paid i.c.w Logo Competition, workshops held for crafting the Mission & Vision Statement of FIT & handing over of Share Certificates to fishermen at Vaghjee Hall.



FISHERMEN INVESTMENT TRUST

Abridged Statement of Financial Position

	Financial Period ended 30.06.07 <i>(Unaudited)</i> MUR	Financial Year ended 30.06.08 <i>(Unaudited)</i> MUR	Financial Year ending 30.06.09 <i>(Projected)</i> MUR
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant & Equipment	-	72,051	291,980
Investment in Associate	-	-	300
<u>Current Assets</u>			
Cash at Bank	15,005,753	15,540,720	15,349,539
Total Assets	15,005,753	15,612,771	15,641,819
EQUITY AND LIABILITIES			
Ordinary share Capital	15,000,000	15,000,000	15,000,000
Retained Earnings	(107,579)	595,577	633,242
<u>Current Liabilities</u>			
Trade and Other Payables	113,332	17,194	8,577
Total Equity & Liabilities	15,005,753	15,612,771	15,641,819



FISHERMEN INVESTMENT TRUST

SETTING UP OF ACCOUNTING SYSTEM AT FIT

Indeed, a good accounting system is the backbone of the business financial world. The importance of a sound accounting system as a source of information for Board and stakeholders in the current competitive business environment, is steadily growing.

FIT came into operation by proclamation, with effect from 31 January 2007. From its outset to August 2008, FIT did not have an approved accounting system. As such, FIT had to formulate its accounting system from scratch. In view of contriving the accounting system, a Welfare Development Officer with financial credentials, was redeployed from Fishermen Welfare Fund to FIT. This has enabled the Trust to develop a system which involves segregation of duties with respect to financial tasks.

The Officer therefrom has achieved the following:

- Preparation of payment vouchers for payments effected prior to January 2008, when payments were done against invoices only.
- Creation and upholding of a Non-Current Assets Register.
- Crafting of a modified payment voucher layout.
- Formulation of Purchase Order Form.
- Set up of an Imprest System.
- Rework of monthly cash books and bank reconciliations.

Ongoing Control Practices:

- Cash Book are prepared on a monthly basis.
- Preparation & approval of Monthly Bank Reconciliation Statement.
- Regular preparation of Cash Flow Statements to monitor conscientiously cash flow movements of FIT.
- ALL payments by FIT are authenticated by backing documents and sanctioned by authorized Signatories.
- Preparation of monthly payroll as from September 2008.
- Attendance Register is being closely monitored to avoid the risk of over/under payment of basic pay and/or travelling.
- Procurements are now made only after preparation, approval & issue of Purchase Orders.
- Regular reconciliation is being performed to reconcile PAYE retained and paid thereon.



FISHERMEN INVESTMENT TRUST

Other Landmarks:

- Preparation of Financial Statements of the Trust for the Period ended 30 June 2007, yet to be audited.
- Preparation of Financial Statements of the Trust for the Year ended 30 June 2008, yet to be audited.
- Preparation of Audit Files for both years.
- In accordance with the requirements of Company Law, a Share Register has been shaped up, giving ample details about the shareholders of FIT, who in essence are the registered fishermen of Mauritius and Rodrigues. Nonetheless, a formal request will be made shortly to all Officers in charge of Fisheries Posts that all Share Certificates be distributed to respective fishers before 28 February 2009 so that any likely amendments in respect of the name of fisher, be corrected by 30 April 2009. The rational behind is that each and every fisherman has custody of his/her share certificate before 30 June 2009. Correspondingly, the Share Register will be corrected to portray the accurate personal data of all fishers.

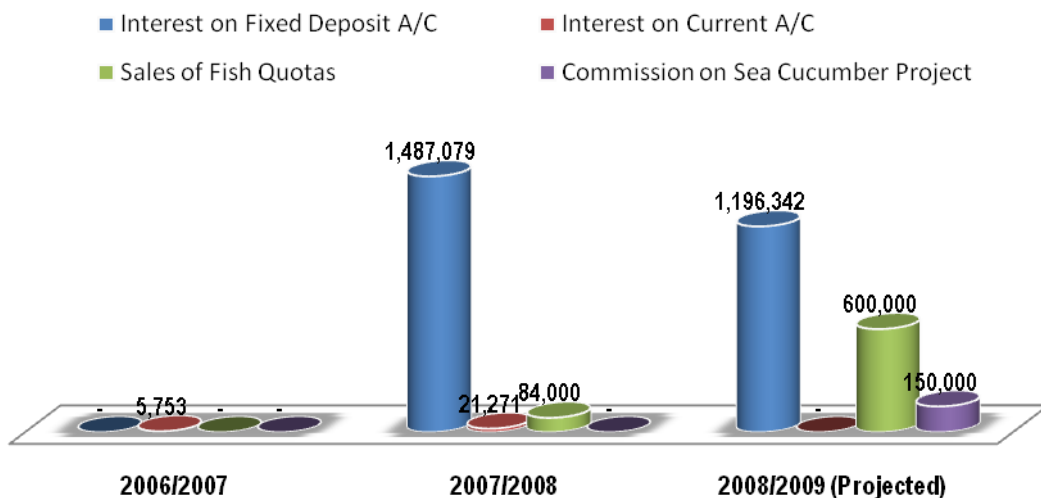
Expected End Result

The end result is that the current accounting system in place gives FIT the financial snapshot it needs in order to make solid business decisions about the current status or projected future health of the various projects it has undertaken.



FISHERMEN INVESTMENT TRUST

Analysis of incomes received/receivable



Depiction of administrative and operating expenses

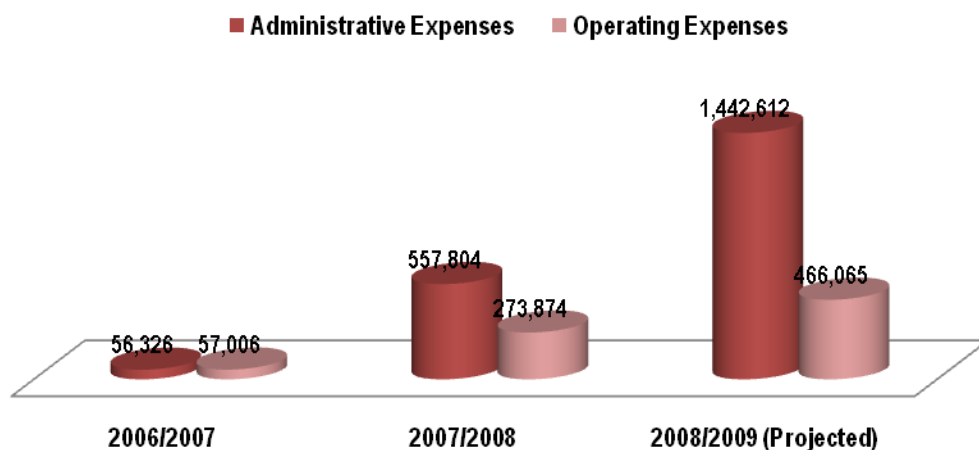
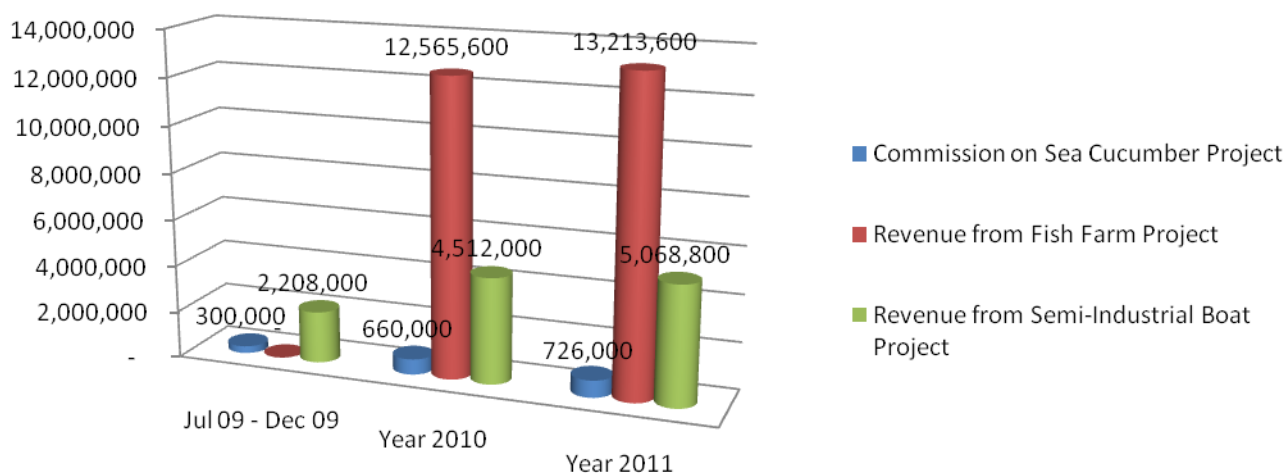


Illustration of future estimated revenues for Period July 2009 to December 2011





FISHERMEN INVESTMENT TRUST

Illustration of future estimated expenses for Period July 2009 to December 2011

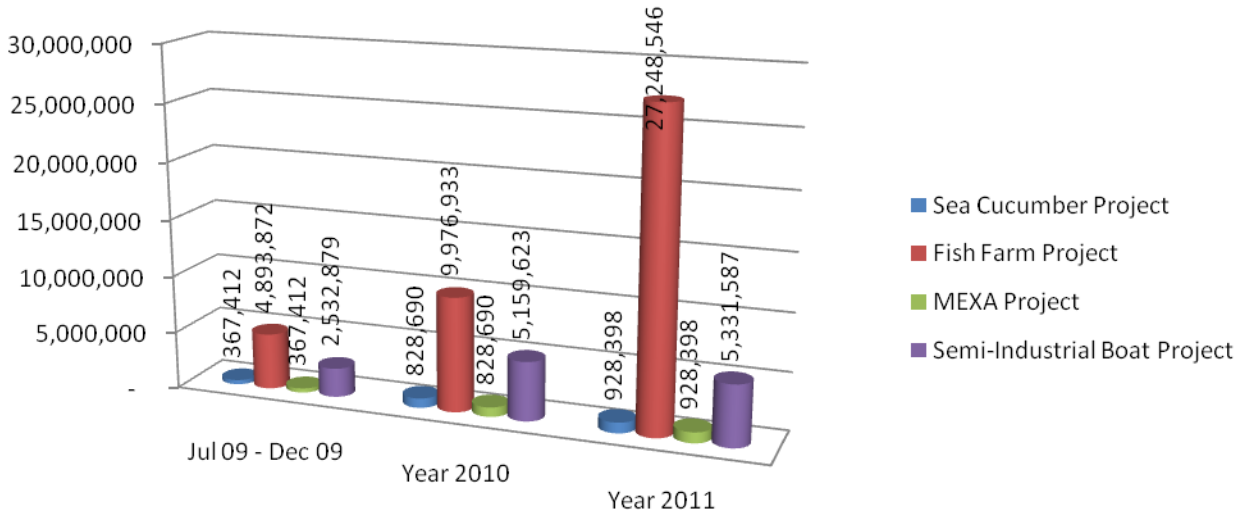
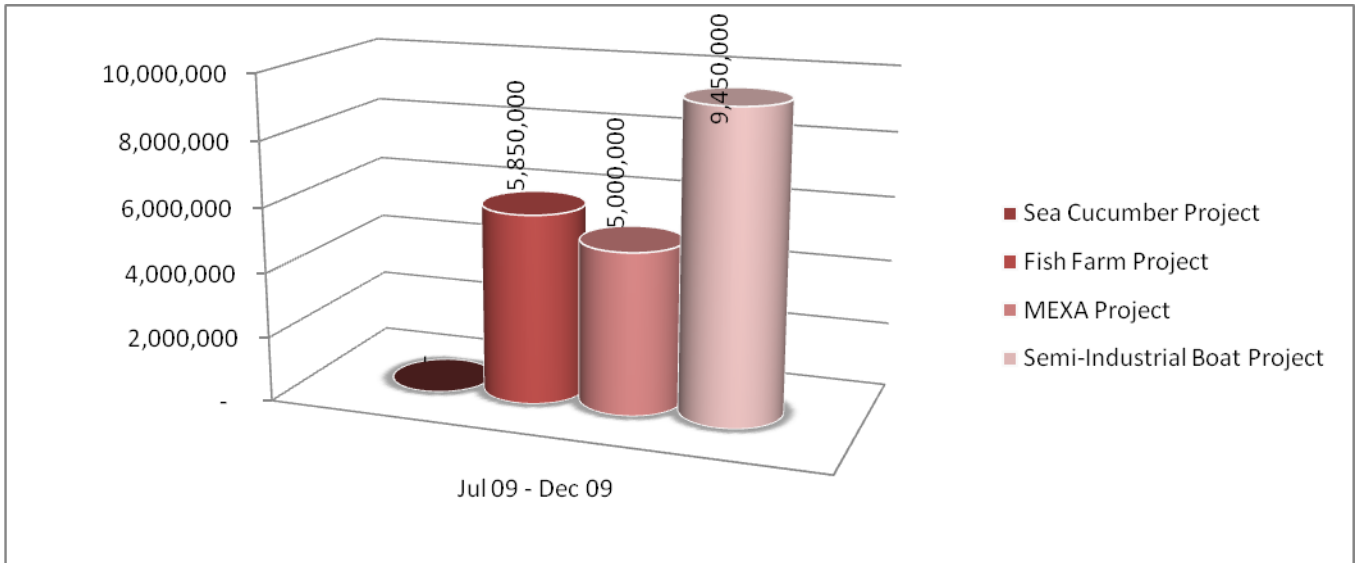


Illustration of future Capital Investments for Period July 2009 to December 2011





REVIEW OF THE FISHERIES SECTOR IN THE REPUBLIC OF MAURITIUS

The fisheries sector in the Republic of Mauritius is a major contributor to nutrition, food security and foreign exchange earnings while at the same time supports poverty alleviation in the coastal regions of the island. The fisheries sector provides direct and indirect employment to some 20,000 people. Mauritius, being an insular state, is among the small island states that rely heavily on imports for basic necessities. The lagoon and fishing banks supply part of our requirements for domestic consumption. Local production of fish (coastal and others) amounted to 6,385 tons in 2009, up 6% from its 2008 level (6,025 tons).

Indeed, the fisheries sector has in recent years become an important sector of the economy supplying fish and fish products to the domestic markets to ensure the overall food security of the country, producing foreign exchange through exports of frozen & processed fish and providing employment. The Fisheries Division of the Ministry of Agro Industry, Food Production and Security recognizes the various threats and challenges facing the economy from unsustainable and illegal fishing in its Exclusive Economic Zone (EEZ) with the concomitant loss of fish landings and foregone wealth and employment. Most of the fisheries are regulated by limited entry management and catch quota. Formulation of management plans for the different fisheries are in the pipeline and will enable to consolidate management measures to ensure the development of sustainable fisheries for the benefit of future generations. The artisanal fishery remains an open access fishery.

The overriding strategy for the fisheries sector is the proper management of the captured fish within the sustainable limits while at the same time ensuring a regular supply of fish and fish products for local consumption and increasing the export potential. Hence, the Government is encouraging fishermen to move off lagoon through a series of accompanying measures and fish outside the lagoon, where higher catches may be obtained. Moreover, following the publication of the Aquaculture Master Plan, there is an expressed interest for floating fish cage culture coming from both private companies and fishermen cooperatives/associations.

The overarching need is to increase the contribution of the fisheries sector towards employment creation and poverty alleviation. As such, the livelihood of the people of the Republic of Mauritius will be immensely improved through a sustainable exploitation of marine resources, better management and an integrated development of the sector.

As such, one of Government's key perspectives in developing the fisheries sector is the need to support marginalized fishermen communities combat poverty. The Fisheries Division has this as a key perspective, for fishermen folk and their families, directly, and through creating employment opportunities within the Seafood Business Hub.

In line with the Government's resolution to address the imbalances caused by absolute poverty, the Fishermen Investment Trust has positioned itself to play a complementary role in this endeavour. In this context, the FIT is called upon to play a pivotal role in the development of the fisheries sector for the benefit of fishermen and to promote outer lagoon fishing.



CORPORATE GOVERNANCE REPORT

First and foremost, corporate governance is about commitment to values and ethical business conduct. By definition, corporate governance is an internal system encompassing policies, processes and people, which serve the needs of shareholders and other stakeholders, by directing and controlling management activities with good business savvy, objectivity, accountability and integrity. Sound corporate governance is reliant on external marketplace commitment and legislation, plus a healthy board culture which safeguards policies and processes.

The positive effect of corporate governance on different stakeholders ultimately is a strengthened economy, and hence good corporate governance is a tool for socio-economic development.

Parties involved in corporate governance include the regulatory body (e.g. the Chief Executive Officer, the Board of Directors, Management, Shareholders and Auditors). Other stakeholders who take part include suppliers, employees, creditors, customers and the community at large.

FIT and its Corporate Governance Structure

FIT, albeit being a rather small organisation and operating with a skeleton working staff, continuously seek to attain the best practices in corporate governance abounding in Mauritius.

Our corporate governance philosophy is based on the following principles:

- ✓ Be transparent and maintain a high degree of disclosure levels.
- ✓ Make a clear distinction between personal conveniences and corporate resources
- ✓ Communicate externally, in a truthful manner, about how the Company is run internally
- ✓ Comply with the laws in all the countries in which we operate
- ✓ Have a simple and transparent corporate structure driven solely by business needs
- ✓ Management is the trustee of the shareholders' capital and not the owner.

At FIT, there is a clear division of responsibilities between the Chairperson and the Chief Executive Officer. The Chairperson is responsible for chairing the board meetings and monitoring their effectiveness. He is also responsible for ensuring that an effective strategy is approved by the board and that an annual evaluation of the board is carried out.

The Chief Executive Officer is primarily responsible for implementing the company's strategy, as well as being a focal point for communication with shareholders. All other responsibilities (other than those detailed above, those reserved to the board as a whole and the board committees) are the responsibility of the Chief Executive, who will delegate appropriately.

Directors' responsibility for financial reporting

The **Fishermen Investment Act 2006** requires that the Trust's board of directors shall employ qualified personnel to discharge functions, pertinent to the smooth running of the Trust amongst which is to prepare the financial statements for each financial year which give a true and fair view of the state of affairs and of the profit or loss of the Trust.

In concurrence with the above requirement, management has designed and maintained its accounting systems, related internal controls and complementary procedures to provide reasonable assurance at any time, that accounting records are accurate, complete and reliable.



FISHERMEN INVESTMENT TRUST

The financial statements presented in this annual report, integrally cover the Trust's operations for the years ended:

- (i) 30 June 2007;
- (ii) 30 June 2008 and
- (iii) 30 June 2009

These financial statements have been prepared by management. The financial statements have been prepared under the Historical Cost Convention and in accordance with accounting principles generally accepted in Mauritius.

In preparing the financial statements, the following requirements were abided by: -

- ✓ Select suitable accounting policies and then apply them consistently;
- ✓ Make judgements and estimates that are fair, reasonable and prudent;
- ✓ State whether applicable accounting standards have been followed subject to any material departures, disclosed and explained in the financial statements, and
- ✓ Prepare the Financial Statements on the going concern basis unless it is presumed that the Trust will discontinue its operations.

The Directors can confirm that the above requirements have been complied with, whilst preparing the Financial Statements.

Pursuant to the ever increasing need of adhering to the codes of good corporate governance and thereby respecting the stewardship function, the CEO was entrusted the responsibility by the Board of Directors to safeguard the assets of the Trust against loss from unauthorized use or disposal and hence take reasonable steps for the prevention and detection of fraud and other irregularities.

The Trust's external auditor, the Director of Audit, has full and free access to the accounting records in conducting his audit. The opportunity to discuss with the Director of Audit is always appreciated, with regards to the audit and matters arising there from such as their observations on the fairness of financial reporting and the adequacy of internal controls.

BOARD

The Board of FIT currently comprises of ten non-executive directors and a Chairperson. The board has a formal schedule of matters specifically reserved to it for decision, including corporate strategy, approval of budgets and financial results, approval of projects and the approval of all major transactions.

Roles of the Board

The Board of Directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. As such, the Board leads and controls the Trust in the best interests of its shareholders. Undoubtedly, an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

To enable the board to give closer attention to important issues facing the Trust, two sub-committees have been instituted, namely the Technical Committee and the Staff Committee.



FISHERMEN INVESTMENT TRUST

Composition of FIT's Board of Directors at 30 June 2009

Mr. Louis Joseph Jacques DESBLEDS

Chairperson

Mr. France ANDY

Representative of fishermen elected by the registered artisanal, bank and semi-industrial fishermen.

Mr. Rene SOPHIE

Representative of fishermen elected by the registered artisanal, bank and semi-industrial fishermen.

Mr. Daroomalingum MAUREE

Representative of the Ministry responsible for the subject of fisheries

Mr. Mahaveer GUNESH

Representative of the Ministry responsible for the subject of finance

Mr. Navindranath POONYE

Representative of the Ministry responsible for the subject of shipping

Mr. Piaray Lal Sharma DAVAY

Representative of the Outer Islands Development Corporation

Mr. Ravindraduth POONIE

Member appointed by Minister

Mr. Guy WONG SO

Member appointed by Minister

Mr. Maurice RAULT

Member appointed by Minister

Notes:

- ❖ Mr. Louis Clarence Leopold, representative of fishermen from Rodrigues, last attended board meeting of FIT on the 16th of December 2008 (20th board meeting). Mr. Leopold was not convened to attend board meetings onwards since he relinquished his Fisherman Registration Card.
- ❖ Mr. Mahaveer Gunesh joined FIT as director (as replacement to Mr. Chola Kumar RAMCHURN) with effect from the 25th of March 2009 and resigned on the 7th of August 2009.
- ❖ Mr. Maurice Rault joined FIT as director (as replacement to Mr. Claude TALBOT) with effect from 20 October 2009.



FISHERMEN INVESTMENT TRUST

Attendance of Directors

	Year ended 30.06.07	Year ended 30.06.08	Year ended 30.06.09	Year ended 30.06.09 SPECIAL	Year ended 30.06.09	Year ended 30.06.09	Year ended 30.06.09
MEMBERS	BOARD MEETINGS	BOARD MEETINGS	BOARD MEETINGS	BOARD MEETING	PROJECT COMMITTEE	TECHNICAL COMMITTEE	STAFF COMMITTEE
Total Number of Meetings	5	11	10	2	3	5	1
Chairperson							
DESBLEDS Jacques	5	10	10	2	Nil	Nil	Nil
Representatives of fishermen from Mauritius							
ANDY France	2	9	7	1	3	2	Nil
SOPHIE René	2	6	6	2	3	Nil	Nil
Representative of fishermen from Rodrigues							
LEOPOLD Clarence	1	9	4	Nil	Nil	Nil	Nil
Representatives/alternate representatives of the Ministry responsible for the subject of fisheries							
MAUREE Daroomalingum	5	9	7	1	Nil	1	1
NORUNGEE Devanand (AR)	Nil	1	Nil	Nil	Nil	Nil	Nil
NUNKOO Soubhashini (AR)	Nil	Nil	1	Nil	Nil	Nil	Nil
SOONDRON Soondress (AR)	Nil	Nil	2	1	Nil	1	Nil
RAMCHARRUN Boodhun (AR)	Nil	Nil	Nil	Nil	Nil	1	Nil
Representatives/alternate representatives of the Ministry responsible for the subject of finance							
RAMCHURN Chola Kumar	4	9	4	2	Nil	1	Nil
GUNESH Mahaveer (AR)	Nil	Nil	2	Nil	Nil	1	Nil
Representatives/alternate representatives of the Ministry responsible for the subject of shipping							
POONYE Navindranath	2	7	6	2	Nil	Nil	1
BHIRUGNATH Meenakshi (AR)	3	4	Nil	Nil	Nil	Nil	Nil
BURUNDOYAL Keshwaree (AR)	Nil	Nil	1	Nil	Nil	Nil	Nil
Representatives/alternate representatives of the Outer Islands Development Corporation							
DAVAY Piaray	5	7	1	Nil	Nil	Nil	Nil
GHURBURRUN Ravin Kumar (AR)	Nil	2	3	Nil	Nil	Nil	Nil
PURSUN Vivay Kanum (AR)	Nil	Nil	5	1	Nil	Nil	Nil
Members appointed by the Minister							
POONIE Ravindraduth	5	9	6	2	Nil	3	Nil
WONG SO Guy	4	10	10	2	3	5	1
RAULT Maurice	Nil	Nil	3	Nil	Nil	Nil	Nil
TALBOT Claude	1	Nil	Nil	Nil	Nil	Nil	Nil

* AR stands for Alternate Representative

Remuneration of Directors

Directors' fees and allowances for the financial years ended 30 June 2007 to 30 June 2009 are as follow:

	MUR
▪ Year ended 30 June 2007	57,006
▪ Year ended 30 June 2008	206,925
▪ Year ended 30 June 2009	311,115



FISHERMEN INVESTMENT TRUST

Directors' and Employees' Declaration of Interest

Subsection 5(1) of the **FISHERMEN INVESTMENT TRUST ACT 2006** stipulates that the board of the trust shall consist 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 30 June 2009 are as follows:

Ordinary shares

Mr. France Andy	<i>(Representative of Mauritian fisher community)</i>	300
Mr. Rene Sophie	<i>(Representative of Mauritian fisher community)</i>	300

There were no significant contracts or transactions during the period involving the Fishermen Investment Trust and the employees, the chairperson, the directors or their related parties outside the ordinary course of operations.

Related Party Transactions

Technically, the full fledged activities of FIT got off the ground as from the 3rd of September 2007 at New Port Building, Port Louis. At the 2nd Floor of the New Port Building, FIT provisionally shared offices with the Fishermen Welfare Fund (FWF). Both FIT and FWF fall under the aegis of the Ministry of Agro Industry, Food Production and Security. From this date till 11th of July 2008, FIT availed freely of amenities like telephone, fax, internet, water, electricity, lift, board room, offices and service car.

The offices of the Fishermen Investment Trust were subsequently relocated at the FiTEC building at Pointe aux Sables on the 14th of July 2008.

As part of its corporate responsibility towards FIT, Parent Ministry provided institutional support to the latter through FiTEC during the financial year ended 30 June 2009 in the form of free amenities like water, electricity, air-conditioning and other facilities like security services, fire alarm system and office cleaning.



FISHERMEN INVESTMENT TRUST

MANAGEMENT TEAM PROFILE

Mr. Adil Kumar BUNWAREE, MBA
(Chief Executive Officer)

Mr. Bunwaree joined the Fishermen Investment Trust in September 2007. Before joining FIT, he worked as Project Manager with the Government of Mauritius-Rodrigues Administration on a project funded jointly by the United Nations Development Programme and the Rodrigues Regional Assembly with the Ministry of Finance and Economic Development in Mauritius as Government Coordinating Agency.

Mr. Bunwaree started his career in 1983 as Senior Audit and Accounts Clerk. In 1984, he joined the banking sector as Bank Officer till 1995. Following his Masters Degree in the UK, he joined an offshore holding Company in South Africa as General Manager in 1998. From 2001 to 2002, he worked in the private sector in South Africa as Financial and Marketing Consultant. Before joining MOFED/UNDP/RRA as Project Manager in 2006, he worked as Financial and Management Consultant in Mauritius.

Mr. Randhir BAICHOO
(Acting Secretary)

Mr. Baichoo joined the Civil Service in July 1995 as Clerical Officer and worked at the Ministry of Education and Ministry of Foreign Affairs. He was promoted to the rank of Executive Officer in 2002 and consequently posted to the Ministry of Labour, Industrial Relations and Employment.

In 2006, he was posted at the Ministry of Agro-Industry and Fisheries. In January 2008, he was seconded for duty at the Fishermen Investment Trust as Ag. Secretary. Mr. Baichoo holds an International Diploma in Administrative Management (IAM-UK)

Mr. Gowtum BOKHOREE
(Welfare Development Officer)

Mr. Bokhoree started his career in January 2002 at Currimjee Direct Sales, a subsidiary of the Currimjee Jeewanjee group of Companies, as Accounts Clerk. He worked there for more than four years until he was promoted as Senior Accounts Clerk and subsequently, Acting Accounts Officer.

He joined the Fishermen Welfare Fund in April 2006 as Welfare Development Officer and served in that position till June 2008. In August 2008, he was redeployed to the Fishermen Investment Trust to cater for the accounting and financial duties of the Trust.

Besides being a member of ACCA, Mr. Bokhoree holds a Diploma in Business Administration with specialization in Banking & Financial Services.



CORPORATE LOGO

The FIT organized a logo competition which was limited to children of registered fishermen from Mauritius and Rodrigues. A ceremony was held on 14 November 2007 for the unveiling of the corporate logo of the FIT. The Corporate logo describes the FIT's picture of success, what it aspires to look like as it carries out its business in the future.

CRAFTING OF THE VISION AND MISSION STATEMENTS

The FIT organized in March 2008 a workshop with the representatives of association of fishermen and other stakeholders for the crafting of its vision and mission statements.

AWARD OF FIT SHARE CERTIFICATES

In line with Government's decision 300 shares were allotted freely to all registered fishermen of Mauritius and Rodrigues.

LAUNCHING OF THE FIRST CORPORATE PLAN OF THE FIT (2009-2011)

It has been prepared during a time of major challenges facing the Seafood Sector on both the domestic and international market following the recent credit crunch. Through its Corporate Plan, the FIT is making known its strategic directions and incorporates the principal actions required by the FIT to attain its objectives as highlighted in the Fishermen Investment Trust Act 2006.



(A) Fishing Boats for Outer Lagoon and FADs fishery

The FIT and MEXA had on **11 February 2009** signed a Memorandum of Understanding for the launching of a fishing project on a pilot basis. The project targets artisanal fishermen and consists of the acquisition of fishing boats to promote outer lagoon and FADS fishery.

The FIT had on **04 June 2009** invited bids for the construction, supply, commissioning and testing of four (4) fishing boats. Subject to the responsiveness of the bids, the contract may be awarded by the end of December 2009.

MEXA has on its part already ordered one fishing boat and shall officially handover same to the FIT in the coming weeks. The fishing boat to be donated to the FIT by MEXA will also be utilised as a training boat for capacity building.

(B) Barachois Project

Government had on **22 August 2008** agreed to the allocation of (2) barachois to the FIT, namely:

- (i) Petit Barachois at Poudre d'Or for the implementation of an integrated project and
- (ii) Bassin Humbert.

As regards Bassin Humbert, legal impediments had to be cleared prior to its allocation to the FIT. The FIT shall with the collaboration of the Board of Investment, invite expression of Interest for the development of integrated projects.

(C) Fish Farm Project in the region of Bambous Virieux

The FIT has teamed up with the Fisheries Division of the Ministry of Agro Industry, Food Production and Security and the Ferme Marine de Mahebourg Ltd (FMM) for the cage farming of Red drum (Ombrine) in the region of Bambous Virieux. The Trust has already commissioned a Business Plan for the project.

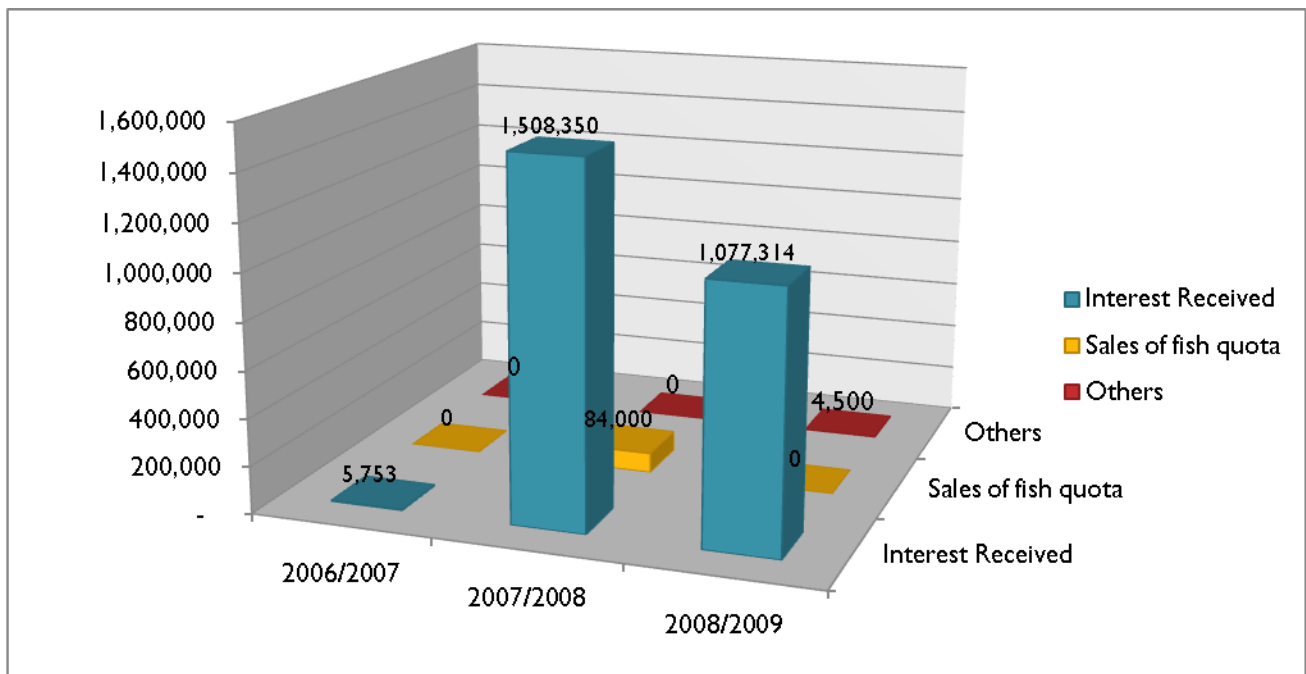
The FMM being the pioneer in the fish cage culture in Mauritius, has been approached to support the project by providing necessary expertise, technical assistance and supply of juveniles and feeds and purchase the fish to be produced by the FIT.

A Memorandum of Understanding (MoU) between FIT and FMM highlighting the nature of assistance to be provided by FMM need to be finalized.



1. Important shortfall in revenues

- (i) FIT has witnessed a drastic fall in its interest income from placement (from 9.9% p.a in 2007/08 to an actual average rate of 6%). This fall in interest rate is predominantly attributable to a decline in the Repo Rate.
- (ii) No sales of fish quota were realised in 2008/2009, despite an expression of interest exercise was carried out.
- (iii) No commissions will be received on collection of sea cucumber, from the month of August 2009, following a forthcoming imposition of collecting sea cucumbers in the maritime zone of Mauritius for a period of two years with effect from 01 August 2009.

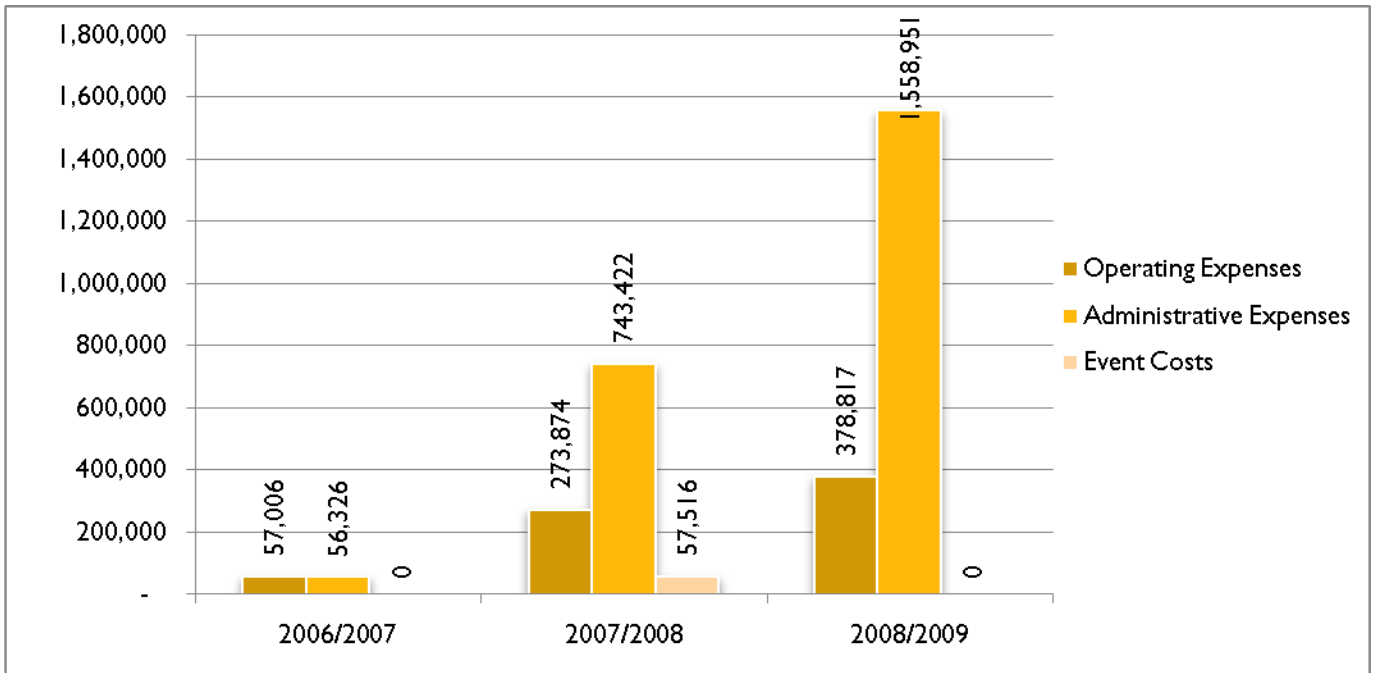




FISHERMEN INVESTMENT TRUST

2. Increase in administrative costs

This increase is mainly attributable to the application of PRB 2008 recommendations and recruitment of two employees, resulting in a substantial increase in payroll costs of management staff.





FISHERMEN INVESTMENT TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007



REPORT OF THE DIRECTOR OF AUDIT

Report on the financial statements

I have audited the financial statements of the Fishermen Investment Trust which comprise the balance sheet as of 30 June 2007, and the income statement and cash flow statement for the period ended 31 January to 30 June 2007, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the financial statements

Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fishermen Investment Trust and for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Mauritius and in compliance with the Fishermen Investment Trust Act 2006 and the Statutory Bodies (Accounts and Audit) Act 1972. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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 on Auditing. Those Standards require that I 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 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 entity'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 of 30 June 2009, and of its financial performance and its cash flows for the year ended in accordance with accounting principles generally accepted in Mauritius and comply with the Statutory Bodies (Accounts and Audit) Act 1972.



FISHERMEN INVESTMENT TRUST

Report on Other Legal and Regulatory Requirements

Statutory Bodies (Accounts and Audit) Act 1972

I have obtained all information and explanations I have required.

In my opinion proper accounting records have been kept by the Fishermen Investment Trust as far as it appears from my examination of those records.

(Dr. R. JUGURNATH)

Director of Audit

National Audit Office
Level 14
Air Mauritius Centre
PORT LOUIS

3 JULY 2009

**BALANCE SHEET****FOR THE PERIOD 31 JANUARY TO 30 JUNE 2007**

	<i>Notes</i>	<i>Period ended 30.06.07</i>
		<i>Rs.</i>
ASSETS		
Non Current Assets		
Held to maturity investment		15,000,000
Current Assets		
Cash and Cash Equivalents	3	5,753
TOTAL ASSETS		15,005,753
EQUITY & LIABILITIES		
Equity		
Issued Share Capital	4	15,000,000
Retained Earnings		(107,579)
		14,892,421
Current Liabilities		
Trade and Other Payables	5	113,332
TOTAL EQUITY & LIABILITIES		15,005,753

Chairperson*29 June 2009***Date****Chief Executive Officer***29 June 2009***Date**



FISHERMEN INVESTMENT TRUST

INCOME STATEMENT
FOR THE PERIOD 31 JANUARY TO 30 JUNE 2007

	Notes	Period ended 30.06.07
		Rs.
INCOME		
Interest received	3	5,753
		5,753
LESS EXPENSES		
Operating Expenses	6	57,006
Administrative Expenses	7	56,326
		113,332
Profit/(Loss) for the Period		(107,579)



FISHERMEN INVESTMENT TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 31 JANUARY TO 30 JUNE 2007

	Share Capital Rs.	Retained Earnings Rs.	Total Rs.
Issue of Share Capital	15,000,000	-	15,000,000
Profit/(Loss) for the period	-	(107,579)	(107,579)
At 30 June 2007	<u>15,000,000</u>	<u>(107,579)</u>	<u>14,892,421</u>



FISHERMEN INVESTMENT TRUST

CASH FLOW STATEMENT
FOR THE PERIOD 31 JANUARY TO 30 JUNE 2007

	<i>Period ended 30.06.07</i>
	<i>Rs.</i>
Net Profit / (Loss)	(107,579)
Adjustments for:	
Depreciation on property, plant and equipment	-
Interest expense	-
Operating profit before working capital changes	<u>(107,579)</u>
(Increase)/decrease in receivables	-
Increase/(decrease) in payables	113,332
Cash generated from operations	<u>5,753</u>
Interest paid	-
Net cash generated from/(used in) operations	<u>5,753</u>
Investing activities	
Purchase of property, plant and equipment	-
Proceeds from disposal of fixed assets	-
Cash flow from investing activities	<u>-</u>
Financing activities	
Capital Injection	<u>15,000,000</u>
Cash flow from financing activities	<u>15,000,000</u>
Increase/(Decrease) in cash and cash equivalents	15,005,753
Cash and cash equivalents at start	-
Cash and cash equivalents at end	<u><u>15,005,753</u></u>



FISHERMEN INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS **FOR THE PERIOD 31 JANUARY TO 30 JUNE 2007**

1. Principal activities

The Fishermen Investment Trust (FIT) is a Corporate Body established under the *Fishermen Investment Trust Act 2006* and falls under the aegis of the Ministry of Agro-Industry & Fisheries. The Act came into operation by proclamation, with effect from 31 January 2007.

One of the objectives of the FIT is that it could operate on a commercial basis and it could engage in investing directly or through a body controlled by it, in:

- (a) Fishing activities;
- (b) Fish processing activities;
- (c) Fish marketing activities;
- (d) Such other activities related to the fishing industry as may be approved by its Board.

The office of Fishermen Investment Trust was provisionally situated at the 4th floor of the L.I.C.I Centre, President John Kennedy Street, Port Louis and moved to the Newport Building, corner of Farquhar and Pasteur Streets, Port Louis in September 2007.

Presently, the office of FIT is located at the ground floor of the FiTEC Building at Pointe aux Sables.

2. Accounting policies and Convention

The Financial Statements of the Trust has been prepared in compliance with the Fishermen Investment Trust Act 2006 and in accordance with the accounting principles generally accepted in Mauritius.

The Financial Statements are prepared under the historical costs convention.

3. Cash and Cash Equivalents

The amount of Rs. 5,753 represents interest received at the rate of 7.00% on the Current Account for the amount of MUR 15,000,000, which the Trust opened with the State Bank of Mauritius Ltd. The same amount was received in full, from the Government of Mauritius as a one-off contribution to the subscription of shares in the Trust, on the 28th of June 2007.



FISHERMEN INVESTMENT TRUST

4. Share Capital

Authorised Share Capital

The authorised share capital of the Trust shall be 65 million rupees made up of 6.5 million shares of 10 rupees each as follows –

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

Issued Share Capital

As at 30 June 2007, the Government had already subscribed 1.5 million shares of Rs. 10 each in FIT. These shares shall be allotted to the fishermen at such time and in such manner as may be determined by the Board. Same are not transferable otherwise than:

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

At 30 June 2007, no shares were yet allocated to the fishermen. At its 11th meeting held in December 2007, the Board resolved that 300 shares shall be allocated freely to each registered fisherman.

At 30 June 2008, 4,461 share certificates were already distributed to the registered fishermen.

5. Trade and Other Payables

	<i>Period ended 30.06.07</i>
	<i>Rs</i>
Chairman's fees & allowance	40,006
Board Member fees & allowances	17,000
Staff Costs	3,000
Press Advertisements	53,326
	<u>113,332</u>



FISHERMEN INVESTMENT TRUST

6. Operating Costs

	<i>Period ended 30.06.07</i>
	<i>Rs</i>
Chairman's Fee & Allowance	40,006
Board & Committee Fees and Other Allowances	17,000
	<u>57,006</u>

7. Administrative Costs

	<i>Period ended 30.06.07</i>
	<i>Rs</i>
Staff Cost	3,000
Press Advertisements	53,326
	<u>56,326</u>

8. Employee

The Trust had one Executive Officer, posted on secondment from the Ministry of Agro-Industry & Fisheries. He was employed on a full-time basis to cater for the administrative matters of the Trust, against a monthly ad-hoc allowance.



FISHERMEN INVESTMENT TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008



REPORT OF THE DIRECTOR OF AUDIT

Report on the financial statements

I have audited the financial statements of the Fishermen Investment Trust which comprise the balance sheet as of 30 June 2008, and the income statement and cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the financial statements

Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fishermen Investment Trust and for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Mauritius and in compliance with the Fishermen Investment Trust Act 2006 and the Statutory Bodies (Accounts and Audit) Act 1972. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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 on Auditing. Those Standards require that I 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 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 entity'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 of 30 June 2009, and of its financial performance and its cash flows for the year ended in accordance with accounting principles generally accepted in Mauritius and comply with the Statutory Bodies (Accounts and Audit) Act 1972.



FISHERMEN INVESTMENT TRUST

Report on Other Legal and Regulatory Requirements

Statutory Bodies (Accounts and Audit) Act 1972

I have obtained all information and explanations I have required.

In my opinion proper accounting records have been kept by the Fishermen Investment Trust as far as it appears from my examination of those records.

A handwritten signature in blue ink, appearing to read 'Dr R. Jugurnath', is positioned above the printed name.

(Dr R. JUGURNATH)

Director of Audit
National Audit Office
Level 14
Air Mauritius Centre
Port Louis

3 July 2009



FINANCIAL STATEMENTS

BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2008

	<i>Notes</i>	<i>Year ended 30.06.08</i>	<i>Period 31.01.07 to 30.06.07</i>
		<i>Rs</i>	<i>Rs</i>
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	3	72,051	-
Held to maturity investment		15,000,000	15,000,000
		<u>15,072,051</u>	<u>15,000,000</u>
Current Assets			
Cash & Cash Equivalents	4	540,721	5,753
TOTAL ASSETS		<u><u>15,612,772</u></u>	<u><u>15,005,753</u></u>
EQUITY & LIABILITIES			
Equity			
Issued Share Capital	5	15,000,000	15,000,000
Retained Earnings		409,959	(107,579)
		15,409,959	14,892,421
Current Liabilities			
Trade and Other Payables	6	202,813	113,332
TOTAL EQUITY & LIABILITIES		<u><u>15,612,772</u></u>	<u><u>15,005,753</u></u>

Chairperson

29 June 2009

Date

Chief Executive Officer

29 June 2009

Date



FISHERMEN INVESTMENT TRUST

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	<u>Notes</u>	<u>Year ended 30.06.08</u>	<u>Period 31.01.07 to 30.06.07</u>
		<u>Rs</u>	<u>Rs</u>
INCOME			
Proceeds from sales of fish quotas	7	84,000	-
Other	8	<u>1,508,350</u>	<u>5,753</u>
Total Income		<u>1,592,350</u>	<u>5,753</u>
LESS EXPENSES			
Operating Expenses	9	273,874	57,006
Administrative Expenses	10	743,422	56,326
Event Costs	11	<u>57,516</u>	<u>-</u>
Total Expenses		<u>1,074,812</u>	<u>113,332</u>
Net Profit / (Loss) for the Year		<u>517,538</u>	<u>(107,579)</u>



FISHERMEN INVESTMENT TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Share Capital	Retained Earnings	Total
	Rs.	Rs.	Rs.
Balance at 30 June 2007	15,000,000	(107,579)	14,892,421
Profit for the Year	-	517,538	517,538
Balance at 30 June 2008	15,000,000	409,959	15,409,959



FISHERMEN INVESTMENT TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Year ended 30.06.08	Period 31.01.07 to 30.06.07
	Rs	Rs
Net Profit / (Loss)	517,538	(107,579)
Adjustments for:		
Depreciation on property, plant and equipment	10,429	-
Interest expense	-	-
Operating profit before working capital changes	527,967	(107,579)
(Increase)/decrease in receivables	-	-
Increase/(decrease) in payables	89,481	113,332
Cash generated from operations	617,448	5,753
Interest paid	-	-
Net cash generated from/(used in) operations	617,448	5,753
Investing activities		
Purchase of property, plant and equipment	(82,480)	-
Cash flow from investing activities	(82,480)	-
Financing activities		
Capital Injection	-	15,000,000
Cash flow from financing activities	-	15,000,000
Increase/Decrease in cash and cash equivalents	534,968	15,005,753
Cash and cash equivalents at start	15,005,753	-
Cash and cash equivalents at end	15,540,721	15,005,753



FISHERMEN INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2008**

9. Principal Activities

The Fishermen Investment Trust (FIT) is a Corporate Body established under the *Fishermen Investment Trust Act 2006* and falls under the aegis of the Ministry of Agro-Industry & Fisheries. The Fishermen Investment Trust Act 2006 came into operation by proclamation, with effect from 31 January 2007.

One of the objectives of the FIT is that it could operate on a commercial basis and it could engage in investing directly or through a body controlled by it, in:

- (e) Fishing activities;
- (f) Fish processing activities;
- (g) Fish marketing activities;
- (h) Such other activities related to the fishing industry as may be approved by its Board.

The office of Fishermen Investment Trust was provisionally situated at the 4th floor of the L.I.C.I Centre, President John Kennedy Street, Port Louis and moved to the Newport Building, corner of Farquhar and Pasteur Streets, Port Louis in September 2007.

Presently, the office of FIT is located at the ground floor of the FiTEC Building at Pointe aux Sables.

10. Accounting Policies

Basis of preparation

The Financial Statements have been prepared under the Historical Cost Convention and in accordance with accounting principles generally accepted in Mauritius.

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

The principal accounting policies adopted in the preparation of the Financial Statements are set out below:

(a) Revenue Recognition

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenues can be reliably measured.

Revenue is recognised by the Trust as it accrues unless collectability is in doubt.



FISHERMEN INVESTMENT TRUST

(b) 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 reasonable 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.

(c) 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%

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

11. Property, Plant & Equipment

	Plant & Equipment Rs	Furniture and Fittings Rs	Computer Hardware Rs	Total Rs
COST				
At 01 July 2007	-	-	-	-
Additions	3,900	30,624	47,956	82,480
At 30 June 2008	3,900	30,624	47,956	82,480
DEPRECIATION				
At 01 July 2007	-	-	-	-
Charge for the year	650	1,786	7,993	10,429
At 30 June 2008	650	1,786	7,993	10,429
NET BOOK VALUE AT 30 JUNE 2007	-	-	-	-
NET BOOK VALUE AT 30 JUNE 2008	3,250	28,838	39,963	72,051

12. Cash and Cash Equivalents

	<i>Year ended 30.06.08</i>	<i>Period 31.01.07 to 30.06.07</i>
	<i>Rs</i>	<i>Rs</i>
Current Account	540,617	5,753
Petty Cash	104	-
	540,721	5,753



FISHERMEN INVESTMENT TRUST

13. Share Capital

Authorised Share Capital

The authorised share capital of the Trust shall be 65 million rupees made up of 6.5 million shares of 10 rupees each as follows –

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

Issued Share Capital

As at 30 June 2008, the Government had already subscribed 1.5 million shares of Rs. 10 each in FIT. These shares, already allotted to the fishermen, are not transferable otherwise than:

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

At its 11th meeting held in December 2007, the Board resolved that 300 shares shall be allocated freely to each registered fisherman.

At 30 June 2008, 4,461 share certificates were already distributed to the registered fishermen.

14. Trade and Other Payables

	Year ended 30.06.08	Period 31.01.07 to 30.06.07
	Rs	Rs
Board Member fees & allowances	4,418	17,000
Air Ticket for Board Member	7,575	-
Staff Costs	169,065	3,000
Chairman's fees & allowance	1,755	40,006
General Expenses	20,000	-
Press Advertisements	-	53,326
	202,813	113,332

15. Proceeds from sales of fish quotas

The Trust recorded Rs. 84,000 from the sales of fish quotas to two local fishing operators.



FISHERMEN INVESTMENT TRUST

16. Other Income

This amount represents interest received on the Non-Cumulative Term Deposit Account for the amount of MUR 15,000,000, which the Trust opened with the State Bank of Mauritius Ltd on the 28th of June 2007 and interests received on Current Account held by the Trust at the same bank. Breakdown of interests received are as follow:

	Year ended 30.06.08	Period 31.01.07 to 30.06.07
	Rs	Rs
Non-cummulative term deposit account	1,487,079	-
Current Account	21,271	5,753
	1,508,350	5,753

17. Operating Expenses

	Year ended 30.06.08	Period 31.01.07 to 30.06.07
	Rs	Rs
Chairman's Fee & Allowance	140,400	40,006
Board & Committee Fees and Other Allowances	66,525	17,000
Air Tickets for Board Member	56,520	-
Depreciation	10,429	-
	273,874	57,006

18. Administrative Expenses

	Year ended 30.06.08	Period 31.01.07 to 30.06.07
	Rs	Rs
Staff Cost	695,603	3,000
Stationeries & Office Requisites	19,148	-
Catering & Refreshments	2,939	-
Press Advertisements	4,200	53,326
General Expenses	21,532	-
	743,422	56,326



FISHERMEN INVESTMENT TRUST

19. Event Costs

Events Costs relate to expenses incurred in organising the following events:

	Year ended 30.06.08	Period 31.01.07 to 30.06.07
	Rs	Rs
Logo Competition	39,513	-
Workshop & brainstorming sessions	10,602	-
Handing over of share certificates	7,401	-
	57,516	-

20. Private Public Partnership

In 2007-08, the FIT were in negotiation to embark on a Private Public Partnership (PPP) with a private company for the development of a sea cucumber project in the waters of St Brandon. In this connection, a new company was formed. The FIT has accordingly entered into a Shareholder's Agreement in October 2008 with the private company and has been granted 30 percent shareholding in the new entity with the option to acquire an additional 21 % shareholding in the future. In line with this, the FIT would be receiving commission based on the weight of the sea cucumber collected by the newly formed company.

21. Employees

The Trust had the following employees:

Employee on contract basis

During the Financial Year 2007/2008, the Trust appointed a Chief Executive Officer on the aforementioned condition of service and his remunerations were met out of the Trust's fund.

Employee on secondment

The Trust had one Executive Officer, posted on secondment from the Ministry of Agro-Industry & Fisheries. He was employed on a full-time basis to cater for the administrative matters of the Trust, against a monthly ad-hoc allowance paid by the Trust.



FISHERMEN INVESTMENT TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009



REPORT OF THE DIRECTOR OF AUDIT

Report on the financial statements

I have audited the financial statements of the Fishermen Investment Trust which comprise the balance sheet as of 30 June 2009, and the income statement and cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the financial statements

Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fishermen Investment Trust and for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Mauritius and in compliance with the Fishermen Investment Trust Act 2006 and the Statutory Bodies (Accounts and Audit) Act 1972. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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 on Auditing. Those Standards require that I 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 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 entity'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 of 30 June 2009, and of its financial performance and its cash flows for the year ended in accordance with accounting principles generally accepted in Mauritius and comply with the Statutory Bodies (Accounts and Audit) Act 1972.



FISHERMEN INVESTMENT TRUST

Report on Other Legal and Regulatory Requirements

Statutory Bodies (Accounts and Audit) Act 1972

I have obtained all information and explanations I have required.

In my opinion proper accounting records have been kept by the Fishermen Investment Trust as far as it appears from my examination of those records.

Other Matters

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

In October 2008, the Fishermen Investment Trust embarked on a private public partnership with a private company for the development of a sea cucumber project in the waters of St. Brandon. Subsequently, the Government of Mauritius imposed a ban on the collection of sea cucumbers from 1 October 2009 to 30 September 2011.

As a result, the Fishermen Investment Trust and the Parent Ministry were served a 'Mise-en-demeure' in October 2009, for breach of agreement.

Legal advice was sought as to the course of action to follow and on 20 November 2009, the Fishermen Investment Trust was informed that it was not under a legal obligation to comply with the exigencies of the 'Mise-en-demeure' at that stage, given that the Fisheries and Marine Resources (Fishing of Sea Cucumbers) Regulations 2009 which came into force on 1 October 2009 do not allow the fishing of sea cucumbers during that period.

(Dr R. JUGURNATH)

Director of Audit
National Audit Office
Level 14
Air Mauritius Centre
Port Louis

6 January 2010



FINANCIAL STATEMENTS

BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2009

	<u>Notes</u>	<u>Year ended 30.06.09</u>	<u>Year ended 30.06.08</u>
		<u>Rs</u>	<u>Rs</u>
ASSETS			
Non-current assets			
Property, Plant & Equipment	3	291,980	72,051
Investment in Associate	4	300	-
Held to maturity investment	5	-	15,000,000
		<u>292,280</u>	<u>15,072,051</u>
Current assets			
Trade & Other Receivable	6	42,385	-
Cash & Cash Equivalent	7	14,713,897	540,721
		<u>14,756,282</u>	<u>540,721</u>
Total assets		<u><u>15,048,562</u></u>	<u><u>15,612,772</u></u>
EQUITY & LIABILITIES			
Equity			
Issued Share Capital	8	15,000,000	15,000,000
Retained Earnings		(312,239)	409,959
		<u>14,687,761</u>	<u>15,409,959</u>
Current liabilities			
Trade and Other Payables	9	360,801	202,813
Total Equity and liabilities		<u><u>15,048,562</u></u>	<u><u>15,612,772</u></u>

Chairperson

15 December 2009

Date

Chief Executive Officer

15 December 2009

Date



FISHERMEN INVESTMENT TRUST

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	<u>Notes</u>	<u>Year ended 30.06.09</u>	<u>Year ended 30.06.08</u>
		<u>Rs</u>	<u>Rs</u>
INCOME			
Commission received	10	133,756	-
Proceeds from sales of fish quotas	11	-	84,000
Other Income	12	1,081,814	1,508,350
Total Income		1,215,570	1,592,350
LESS EXPENSES			
Operating Expenses	13	378,817	273,874
Administrative Expenses	14	1,558,951	743,422
Event Costs	15	-	57,516
Total Expenses		1,937,768	1,074,812
Net (Loss) / Profit for the Year		(722,198)	517,538



FISHERMEN INVESTMENT TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Share Capital</i> <i>Rs.</i>	<i>Retained Earnings</i> <i>Rs.</i>	<i>Total</i> <i>Rs.</i>
Balance as at 01 July 2008	15,000,000	409,959	15,409,959
Loss for the Year 2008-2009	-	(722,198)	(722,198)
Balance as at 30 June 2009	<u>15,000,000</u>	<u>(312,239)</u>	<u>14,687,761</u>



FISHERMEN INVESTMENT TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Year ended 30.06.09</i>	<i>Year ended 30.06.08</i>
	<i>Rs</i>	<i>Rs</i>
Net Profit / (Loss)	(722,198)	517,538
Adjustments for:		
Depreciation on property, plant and equipment	37,148	10,429
Interest expense	-	-
Operating profit before working capital changes	(685,050)	527,967
(Increase)/decrease in receivables	(42,385)	-
Increase/(decrease) in payables	157,989	89,481
Cash generated from operations	(569,446)	617,448
Interest paid	-	-
Net cash generated from/(used in) operations	(569,446)	617,448
Investing activities		
Investment in Associate	(300)	-
Purchase of property, plant and equipment	(257,078)	(82,480)
Cash flow from investing activities	(257,378)	(82,480)
Financing activities		
Capital Injection	-	-
Cash flow from financing activities	-	-
Increase/Decrease in cash and cash equivalents	(826,824)	534,968
Cash and cash equivalents at start	15,540,721	15,005,753
Cash and cash equivalents at end	14,713,897	15,540,721



FISHERMEN INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1. PRINCIPAL ACTIVITIES

The Fishermen Investment Trust (FIT) is a Corporate Body established under the *Fishermen Investment Trust Act 2006* and falls under the aegis of the Ministry of Agro-Industry, Food Production and Security. The Fishermen Investment Trust Act 2006 came into operation by proclamation, with effect from 31 January 2007.

One of the objectives of the FIT is that it could operate on a commercial basis and it could engage in investing directly or through a body controlled by it, in:

- (a) Fishing activities;
- (b) Fish processing activities;
- (c) Fish marketing activities;
- (d) Such other activities related to the fishing industry as may be approved by its Board.

The office of FIT is located at the ground floor of the FiTEC Building at Pointe aux Sables.

2. ACCOUNTING POLICIES

(c) Basis of preparation

The Financial Statements have been prepared under the Historical Cost Convention and in accordance with accounting principles generally accepted in Mauritius.

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

(d) 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.

(e) 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.



FISHERMEN INVESTMENT TRUST

(f) 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%

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

3. PROPERTY, PLANT & EQUIPMENT

	Plant & Equipment Rs	Furniture and Fittings Rs	Computer Hardware Rs	Total Rs
COST				
At 01 July 2008	3,900	30,624	47,956	82,480
Additions	6,653	164,634	85,790	257,077
At 30 June 2009	10,553	195,258	133,746	339,557
DEPRECIATION				
At 01 July 2008	650	1,786	7,993	10,429
Charge for the year	1,862	16,688	18,598	37,148
At 30 June 2009	2,512	18,474	26,591	47,577
NET BOOK VALUE AT 30 JUNE 2008	3,250	28,838	39,963	72,051
NET BOOK VALUE AT 30 JUNE 2009	8,041	176,784	107,155	291,980

4. INVESTMENT IN ASSOCIATE

During the financial year 2008/09, FIT embarked on a Private Public Partnership (PPP) with a private company (**Brightwater Ltd**) for the development of a sea cucumber project in the waters of St. Brandon. In this connection, a new company (**Brightfit Ltd**) was formed. FIT has accordingly entered into a Shareholder's Agreement on the 24th of October 2008 with Brightwater Ltd and has been granted 30 percent shareholding in the new entity with the option to acquire an additional 21 % shareholding at the end of the 3rd year of operation.

The investment in Brightfit Ltd is accounted for at cost in the financial statements as it is an unquoted equity whose fair value cannot be reliably measured.

In line with the agreement with Brightfit Ltd, FIT would receive commission based on the wet weight of the sea cucumber collected by Brightfit Ltd.



FISHERMEN INVESTMENT TRUST

5. HELD TO MATURITY INVESTMENT

On the 30th of June 2008, FIT opened an initial Fixed Deposit Account of 12-months with the Banque des Mascareignes. In this respect, the sum of Rupees Fifteen Million was transferred from the Fixed Deposit Account (which arrived at maturity date) at the State Bank of Mauritius Ltd. The Banque des Mascareignes quoted the highest rate following a tender exercise.

However, FIT proceeded to a premature uplifting of Rupees Seven Million from the Fixed Deposit Account on the 19th of March 2009 for future investment in 'Les Pêcheurs Réunis Ltée', a joint venture between FIT and the Mauritius Export Association (MEXA). The joint venture constitutes of the implementation of a project on a pilot basis for the acquisition and running of four fishing boats with MEXA investing in one fishing boat, initially.

Further, Rupees One Million was transferred to the Current Account of FIT at the State Bank of Mauritius Ltd on the 20th of March 2009.

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables at balance sheet date are stated at cost and comprise of:

- (a) An amount of Rs. 29,777 owed by Brightfit Ltd to FIT as at 30 June 2009, representing commission on the catch of 1,884 kgs of wet sea cucumbers collected from the 7th to 26th of June 2009. Payment was accordingly received on the 1st of July 2009.
- (b) An amount of Rs. 12,608, representing interest receivable on Term Deposit Account at Banque des Mascareignes for the period 19 June 2009 to 30 June 2009.

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.

	<i>Year ended 30.06.09 Rs</i>	<i>Year ended 30.06.08 Rs</i>
Current Account	459,950	540,617
Savings Account	7,253,879	-
Term Deposit Account	7,000,000	-
Petty Cash	68	104
	14,713,897	540,721



FISHERMEN INVESTMENT TRUST

8. SHARE CAPITAL

Authorised Share Capital

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

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

Issued Share Capital

As at 30 June 2009, the Government had already subscribed 1.5 million shares of Rs. 10 each in FIT. These shares, already allotted to the fishermen, are not transferable otherwise than:

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

At 30 June 2009, 4,461 share certificates were already distributed to the registered fishermen.

9. TRADE AND OTHER PAYABLES

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

	<i>Year ended 30.06.09</i>	<i>Year ended 30.06.08</i>
	<i>Rs</i>	<i>Rs</i>
Board Member fees & allowances	3,575	4,418
Utility Charges	1,708	-
Staff Costs	277,648	169,065
General Expenses (audit fees)	40,000	20,000
Press Advertisements	37,870	-
Air Ticket for Board Member	-	7,575
Chairman's fees & allowance	-	1,755
	<u>360,801</u>	<u>202,813</u>

10. COMMISSION RECEIVED

FIT recorded the receipt of commissions to the tune of Rs. 103,979, received from Brightfit Ltd. on the total collection of 6,506kgs of wet sea cucumbers.



FISHERMEN INVESTMENT TRUST

11. PROCEEDS FROM SALES OF FISH QUOTAS

No revenue was generated from the sales of fish quotas during the financial year ended 30 June 2009 despite strenuous efforts undertaken at management level to market the quotas allocated to the Trust by the Parent Ministry.

12. OTHER INCOME

The breakdown of other income earned is given below:

	<i>Year ended 30.06.09</i>	<i>Year ended 30.06.08</i>
	<i>Rs</i>	<i>Rs</i>
Interest on fixed deposit account	961,289	1,487,079
Interest on current account	15,402	21,271
Interest on savings account	100,623	-
Receipt from sale of bid documents	4,500	-
	1,081,814	1,508,350

13. OPERATING EXPENSES

	<i>Year ended 30.06.09</i>	<i>Year ended 30.06.08</i>
	<i>Rs</i>	<i>Rs</i>
Chairman's Fee & Allowance	226,200	140,400
Board & Committee Fees and Other Allowances	84,915	66,525
Air Tickets for Board Member	30,554	56,520
Depreciation	37,148	10,429
	378,817	273,874

14. ADMINISTRATIVE EXPENSES

	<i>Year ended 30.06.09</i>	<i>Year ended 30.06.08</i>
	<i>Rs</i>	<i>Rs</i>
Staff Cost	1,348,330	695,603
Stationeries & Office Requisites	58,843	19,148
Catering & Refreshments	8,163	2,939
Press Advertisements	62,250	4,200
General Expenses	36,860	21,532
Utility Charges	20,635	-
Training & Seminar	23,870	-
	1,558,951	743,422



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15. EVENT COSTS

No event costs were incurred by FIT during financial year ended 30 June 2009.

	Year ended 30.06.09	Year ended 30.06.08
	Rs	Rs
Logo Competition	-	39,513
Workshop & brainstorming sessions	-	10,602
Handing over of share certificates	-	7,401
	-	57,516

16. EMPLOYEES

The Trust had the following employees:

❖ Employee on contract basis

The Chief Executive Officer of the Trust was employed on the aforementioned condition of service and his remunerations were met out of the Trust's fund.

❖ Employees on month to month basis

The Trust proceeded to the recruitments of a General Worker on the 1st of July 2008. Further a Welfare Development Officer, with financial credentials, joined services on the 19th of August 2008 from the Fishermen Welfare Fund, to cater for the Trust's financial matters. The emoluments of these two employees were paid by the Trust.

❖ Employee on secondment

The Trust had one Executive Officer, posted on secondment from the Ministry of Agro-Industry, Food Production & Security (Fisheries Division). He was employed on a full-time basis to cater for the administrative matters of the Trust, against a monthly ad-hoc allowance paid by the Trust.

17. LITIGATION

The Shareholders Agreement amongst FIT, Brightwater Ltd and Brightfit Ltd stipulates that the latter company shall have the exclusive right to collect sea cucumbers on an exclusive basis and without any restriction for the whole duration of the project and continuously throughout the year and in any case, at least for the first three years of operation.

However, the Government of Mauritius has imposed a ban on the collection of sea cucumbers with effect from 01 October 2009 to 30 September 2011. Consequently, FIT and Parent Ministry were served a 'Mise en Demeure' dated the 28th of October 2009, for breach of agreement.