TRANSPARENCY MAURITIUS

FINANCIAL STATEMENTS – YEAR ENDED

DECEMBER 31, 2012

TRANSPARENCY MAURITIUS

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The Directors have the pleasure to submit the annual report of Transparency Mauritius together with the audited financial statements for the year ended December 31, 2012.

Nature of Business

Transparency Mauritius is registered as an independent, non-political, non-partisan body corporate and a non-governmental organisation in the country. It is also an approved NGO under the National Corporate Social Responsibility, Ref. N/1137. Transparency Mauritius is an accredited National Chapter, Department of Africa and the Middle East of Transparency International, a global civil society organisation leading the fight against corruption and which is based in Berlin, Germany. Transparency International raises awareness of the damaging effects of corruption and works with partners in government, business and civil society to develop and implement effective measures to tackle corruption.

TI Vision: A world in which government, politics, business, civil society and the daily lives of people are free of corruption.

TI Mission: To stop corruption and promote transparency, accountability and integrity at all levels and across all sectors of society.

Objects of Transparency Mauritius

- To raise public awareness and advance the general education of the public in the promotion of integrity in business ethics in national and international business transactions;
- To promote, undertake or commission research for the benefit of the public, into aspects of containing corruption and influencing peddling in national and international business transactions;
- To combat corruption and influence peddling, and to give legislative and public bodies facilities for conferring with and ascertaining the views of persons and institutions engaged in combating corruption as regards matters directly or indirectly affecting that issue;
- To provide for meetings and publications of any type to combat corruption; including fundraising and/or the use of the media;
- To contribute to increase the accountability of decision makers and transparency at all levels of the public and private sectors.

ACTIVITIES 2012

Priority Area: Anti-corruption effoı ones at all levels through community and citizens empowerment.

Target group: The general public (young, old, poor, rich, man and woman).
Anyone who feels one is a victim or a witness of corruption.

Protecting and Advancing Rights - Citizens Empowerment

The Advocacy and Legal Advice Centre 'CAJAC' (Centre d'Assistance Juridique et d'Action Citoyenne) is open to the public for free assistance, legal advice and complaints follow-up if they are victims or witness of corruption. A total number of 272 complaints were received during the year either by telephone, fax, post, hot-line or in person at the centre. Out of the total complaints 23% were referred to the ICAC or the Police Department or the authorities concerned.

An ALAC Workshop on Legal Advice (Atelier CAJAC Avancée sur le conseil juridique), organised by Transparency International, was held in Paris, France in June 2012.

Politics and Government – Election Monitoring

After allegations, in the press, of a political intervention with the police, TM issued a press communiqué inviting people in top positions to behave more responsibly and the public to report any abuse of the system.

Village and municipal council elections were held in December 2012. Before the event and in consultation with the Electoral Supervisory Commission, TM published a code of conduct for political parties, candidates and voters. A press conference was organised to publicise the code of conduct which was also forwarded to all political parties.

Anti-Corruption Awareness, Sensitization and Visibility Actions

The public is encouraged to contact Transparency ALAC if they feel they have been victims or witnesses of corruption. They may either call the hotline or contact TM by mail or walk in to ask for assistance or advice.

Visibility actions throughout the year included press adverts, billboards and adverts wrapped on buses running across the island. All adverts carried messages and visuals to sensitize on the bad effects of corruption and to make the population understand what corruption is.

Transparency Mauritius has acknowledged the need to have a new website because the former one has not been in service for some years. The new website www.transparencymauritius.org has been released in January 2013. It will provide all relevant information on Transparency Mauritius and its activities.

Youth & Women

Transparency Mauritius participated in a workshop on Achieving Gender Justice in Africa organised by Alliances for Africa and SPEAK Human Rights and Environmental Initiative to promote women's rights in Africa.

Stakeholders and Partnership

In the view for a better partnership with stakeholders to fight corruption, TM has had meetings with the Commissioner of Police, the Director General of the ICAC (the Independent Commission against Corruption), the Director General of the Mauritius Revenue Authority, the Chairperson of the Equal Opportunities Commission, the Chairs of the National Empowerment Foundation, Financial Services Commission and National Good Governance Committee as well as with members of the Independent Review Panel.

- **Mass Rapid Transit System Stakeholders Committee**
  Transparency Mauritius has been invited by the Mass Transit Unit to act as an observer on its stakeholders' committee.

Survey

A study has been carried on the subject of Perceptions of Corruption in Mauritius. The findings have been submitted in December and have been released in February 2013. The study is available on the website of TM.

TRANSPARENCY INTERNATIONAL

- TI Corruption Perception Index

  Transparency Mauritius released the results of the TI Corruption Perception Index where Mauritius was ranked 43rd least corrupt country compared to 46th in the previous year. The score was 57 over 100. It is to be noted that a new methodology was used. TM has issued two communiqués to inform the public about the new methodology and the CPI.

- TI Regional and Annual Membership Meetings

  Transparency Mauritius was represented both at the Transparency International Regional Meeting which was held in Maputo, Mozambique and the Annual Membership Meeting 2012 (World) held in Brasilia, Brazil.

- TI ALAC Workshops

  CAJAC Workshop on Legal Advice:
  Transparency Mauritius participated in the ALAC Workshop on Legal Advice (Atelier CAJAC Avancée sur le conseil juridique) organised by Transparency International and which was held in Paris, France in June 2012.

  ALAC Workshop on the Perenniality of CAJAC:
  Transparency Mauritius attended the ALAC Workshop on ***La pérennité et le renforcement institutionnel des sections nationales*** held in Niamey, Niger in December 2012. The object was to analyse the long term existence of the ALAC Project after its implementation in the country and how to include it in the National Chapters' strategy.

Board of Directors:

Mr Sivananda Vencatapillay, Chairman
Mr Jacques de Navacelle
Mr David Martial
Mr Balmick Molaye
Mr Rajeev Sookur

Company Secretary:

Navitas Corporate Services

Auditors:

BDO & Co

Main Contributor:

The CAJAC project is financed by Transparency International-Secretariat through the European Union. It is a three year co-financed project.

Other Contributors:

Caudan Communaute, Currimjee Foundation, Fondation Nouveau Regard, GFA Insurance, MCB Forward Foundation, Rogers Foundation, PricewaterhouseCoopers, Mauritius Oil Refineries Ltd and Splendid Property Holdings.

24 MAY 2013

Approved by the Board of Directors on:............................
and signed on its behalf by:

Sivananda Vencatapillay   DAVID MARTIAL   ) DIRECTORS

SECRETARY'S CERTIFICATE - DECEMBER 31, 2012

I certify that, to the best of my knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required of the company.

Navitas Corporate Services Ltd,
SECRETARY
13, St Clement Street,
CUREPIPE

Date: 24 MAY 2013

BDO

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BDO & Co Ltd
10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O. Box 799

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of Transparency Mauritius (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of Transparency Mauritius on pages 8 to 21 which comprise the statement of financial position at December 31, 2012, the statement of comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

TRANSPARENCY MAURITIUS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Financial Statements (Continued)

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

Opinion

In our opinion, the financial statements on pages 8 to 21 give a true and fair view of the financial position of the Company at December 31, 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

BDO & Co

BDO ~~& Co~~

Chartered Accountants

Port Louis,
Mauritius.

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

24 MAY 2013

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2012

	Notes		2012	2011
ASSETS			**Rs.**	Rs.
Non-current asset				
Plant and equipment	5		**18,974**	34,584
Current assets				
Receivables	6		**33,500**	32,100
Cash at bank			**2,034,352**	2,366,560
			2,067,852	2,398,660
Total assets		Rs.	**2,086,826**	2,433,244
FUND AND LIABILITIES				
Accumulated fund			**1,627,108**	1,233,356
Current liability				
Payables	7		**459,718**	1,199,888
Total fund and liabilities		Rs.	**2,086,826**	2,433,244

These financial statements were approved for issue by the Board of Directors on: 24 MAY 2013

Signature	Signature	)
Sivananda Vencatapillay	DAVID MARTIAL	) DIRECTORS
Name	Name	)

The notes on pages 12 to 21 form an integral part of these financial statements.
Auditors' report on pages 6 and 7.

STATEMENT OF COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2012

	Notes	2012	2011
		Rs.	Rs.
Contributions	8	415,000	1,014,990
Project contributions		4,004,185	3,848,450
Membership fees		14,000	14,200
		4,433,185	4,877,640
Project costs		(4,004,185)	(3,848,450)
Administrative expenses		(50,856)	(84,144)
Net operating surplus	9	378,144	945,046
Other income	11	15,608	10,568
Net surplus for the year		393,752	955,614
Total comprehensive income for the year	Rs.	393,752	955,614

The notes on pages 12 to 21 form an integral part of these financial statements.

Auditors' report on pages 6 and 7.

STATEMENT OF CHANGES IN FUND - YEAR ENDED DECEMBER 31, 2012

		Accumulated Fund
		Rs.
Balance at January 1, 2012		1,233,356
Total comprehensive income for the year		393,752
Balance at December 31, 2012	Rs.	**1,627,108**
Balance at January 1, 2011		277,742
Total comprehensive income for the year		955,614
Balance at December 31, 2011	Rs.	**1,233,356**

The notes on pages 12 to 21 form an integral part of these financial statements.

Auditors' report on pages 6 and 7.

STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2012

	Note		2012	2011
			Rs.	Rs.
Operating activities				
Net surplus for the year			**393,752**	955,614
Adjustments for:				
Depreciation on plant and equipment			**15,610**	15,610
Interest income			**(15,608)**	(10,568)
			393,754	960,656
Changes in working capital:				
- (Increase)/decrease in receivables			**(1,400)**	6,400
- (Decrease)/increase in payables			**(740,170)**	421,976
Cash (used in)/generated from operations			**(347,816)**	1,389,032
Interest income			**15,608**	10,568
(Decrease)/increase in cash and cash equivalents		Rs.	**(332,208)**	1,399,600
Movement in cash and cash equivalents				
At January 1,			**2,366,560**	966,960
(Decrease)/increase			**(332,208)**	1,399,600
At December 31,	12	Rs.	**2,034,352**	2,366,560

The notes on pages 12 to 21 form an integral part of these financial statements.

Auditors' report on pages 6 and 7.

1. GENERAL INFORMATION

Transparency Mauritius was incorporated in October 1988 as a public company limited by guarantee.

The Company is affiliated to Transparency International, a global civil society organisation leading the fight against corruption, based in Berlin, Germany. Transparency Mauritius is one of the national chapters of Transparency International that falls under the Regional Department of African and the Middle East.

Transparency Mauritius is an independent, non-political, non-partisan, non-governmental and non-profit-making organisation. Its registered office is at 4th Floor, Fon Sing Building, 12 Edith Cavell Port Louis.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention except that relevant financial assets and liabilities are stated at fair value, or carried at amortised cost as appropriate.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

Disclosures - Transfers of Financial Assets (Amendments to IFRS 7). These amendments improve the disclosure requirements in relation to transferred financial assets. The amendments are not expected to have any impact on the Company's financial statements.

Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS1). These amendments replace references to a fixed transition date with 'the date of transition to IFRSs' and set out the requirements for how an entity resumes presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The amendments are not expected to have any impact on the Company's financial statements.

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12), introduces a presumption that investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property are recovered entirely through sale for the purposes of measuring deferred taxes. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. This amendment is unlikely to have an impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2013 or later periods, but which the Company has not early adopted.

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

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income (Effective 1 July 2012)
IFRS 9 Financial Instruments
IAS 27 Separate Financial Statements
IAS 28 Investments in Associates and Joint Ventures
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRS 13 Fair Value Measurement
IAS 19 Employee Benefits (Revised 2011)
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
Amendment to IFRS 1 (Government Loans)
Annual Improvements to IFRSs 2009-2011 Cycle
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Plant and equipment

All plant and equipment is stated at historical cost less depreciation.

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

Furniture and fittings	20%
Office equipment	20 - 25%

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

Gains and losses on disposal of plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

2.3 Financial instruments

The company's accounting policies in respect of the main financial instruments are set out below:

(i) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the income statement.

(ii) Payables

Payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

(iii) Cash and cash equivalents

Cash and cash equivalents include cash at bank.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.5 Revenue recognition

Contributions comprise of funds (cash or in kind) received from companies and other organisations. Membership fees consist of initial and annual subscriptions, and are accounted on an accrual basis.

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

- Interest income - as it accrues unless collectibility is in doubt.

2.6 Provisions

Provisions are recognised when the company has a present or constructive obligation as a result of past events which will probably result in an outflow of economic benefits that can be reasonably estimated.

3. FINANCIAL RISK FACTORS

3.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, interest rate risk and liquidity risk.

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

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

Credit risk

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

The Company has policies in place to ensure contributions and membership fees are received from companies and organisations with an appropriate credit history. The Company has policies that limit the amount of credit exposure to any one financial position.

The table below shows the credit concentration of the company at the end of reporting date:

	2012	2011
	Rs.	Rs.
Counterparties		
Others (diversified risk)	**33,500**	32,100

Management does not expect any losses from non-performance of these debtors.

Interest rate risk

As the Company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

Liquidity risk

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

3. FINANCIAL RISK FACTORS (CONT'D)

3.1 Financial Risk Factors (cont'd)

Liquidity risk (cont'd)

The table below analyses the Company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting date to the contractual maturity date.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Rs.	Rs.	Rs.	Rs.
At December 31, 2012				
Payables	**459,718**	-	-	-
At December 31, 2011				
Payables	1,199,888	-	-	-

3.2 Fair value estimation

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Asset lives and residual values

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

Depreciation policies

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

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