

**TRANSPARENCY MAURITIUS**

FINANCIAL STATEMENTS - YEAR ENDED

DECEMBER 31, 2014

**TRANSPARENCY MAURITIUS**

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ANNUAL REPORT - DECEMBER 31, 2014

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The Directors have the pleasure to submit the annual report of Transparency Mauritius together with audited financial statements for the year ended December 31, 2014.

**Nature of Business**

Transparency Mauritius is registered as an independent, non-partisan body corporate and a non-government organisation in the country. It is also an approval NGO under the National Corporate Social Responsibility, Ref. N/1137. Transparency Mauritius is an accredited National Chapter of Transparency International, a global civil society organisation leading the fight against corruption 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.

**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 level of the public and private sectors.

**The Vision of TM:**

*“Making Mauritius a country where people strongly believe in integrity, stand up and fight against all forms of corruption”*

*“Faire de Maurice un pays où les gens croient fermement en l'intégrité et lutter contre toutes les formes de corruption”*

*“Fair Maurice vinn enn pei kot tou dimoune vremen krwar dans l'intégrité, zot tou dibouter ek lager contre tou typs corription”*

**Strategic “Fit” of TM**

*“To contribute in revealing the various facets of corruption and actively promote a culture of transparency, accountability and integrity in government, politics, business and civil society through inclusive participation.”*

## ANNUAL REPORT - DECEMBER 31, 2014

**Principles and Values of TM**

The principles and values of TM is intrinsically in line with 10 guiding principles of TI

<b>Values</b> (Perceptions)	<b>Principles</b> (Behaviours)
<b>Integrity</b>	Operate with honesty and trust that makes up our professionalism
<b>Customer-oriented</b>	Always digging for customer requirements and ensure rapid response to needs and expectations
<b>Ethical Responsibility</b>	Strive to go extra mile to complete what are required while respecting human values and established legislations
<b>Total Independency</b>	Deliver advocacy services with impartiality that can be verified and proven
<b>Commitment, Involvement, Engaged and empathy with passion</b>	No matter working like a burnt-out so long the results are great for the customers
<b>Evidence-based Fairness</b>	Undertake projects and provide assistance to customers with utmost fairness backed-up by adequate evidence.

**ACTIVITIES 2014**

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

Target groups: The general public  
The public sector  
The private sector

Projects of Transparency Mauritius during the last year included:

- The publication of a pledge to control the Financing of Political Parties;
- The publication of a code of conduct for the General Elections 2014;
- Advocacy for a Freedom of Information Act;
- Working sessions with the Procurement Policy Office for the Adoption of the Integrity Pact of Transparency International in public procurement;
- Advocacy for the review of the Declaration of Assets Act;
- The first edition of TM Investigative Journalism Award;
- The publication of an Investigative Journalism Manual;
- Advocacy for the review of discretionary powers of ministers;
- Youth empowerment;
- Promotion of Good Governance in public and private sectors;
- Whistleblowing;
- Advocacy and Legal Advice Centre (ALAC)

## ANNUAL REPORT - DECEMBER 31, 2014

**ACTIVITIES 2014 (CONT'D)****Protecting and Advancing Rights: Citizens Empowerment**

Though the funding from TI-Secretariat has come to an end since 2013, the chapter continued the Advocacy and Legal Advice Centre (ALAC) which 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 108 contacts (36 new concerns) were received during the year either by telephone, fax, post and hot-line or in person at the centre. The contacts were provided with legal advice and cases were also referred to the Police Department, the Ombudsman.

**Engaging with the Private Sector**

Transparency Mauritius was actively engaged with the Mauritius Institute of Directors (MIOD), the Public Private Platform against Corruption (PPPAC), the Private Anti-corruption Task Force (PACT), the PACT Council, Whistleblowing Council and the Construction Sector Anti-Corruption Committee in 2014.

The Whistleblowing Council derives from an initiative between the Mauritius Institute of Directors (MIOD) and TM. Its objects are:

- promote whistleblowing within the private sector;
- analyse trends and make recommendations accordingly;
- act as an advisory council to relevant stakeholders (the “Relevant Stakeholders”) being –
  - a) organisations, including but not limited to body corporates, associations, public interest entities, and all entities having put in place or intending to put in place a whistleblowing policy; and
  - b) individuals, comprising namely, employees and whistleblowers;
    - assist the Relevant Stakeholders to identify and act upon corruption risks and targeted malpractices, and take relevant action via recommended channels;
    - raise awareness to Relevant Stakeholders concerning whistleblowing initiatives;
    - assist relevant stakeholders to put in place mechanisms to protect whistleblowers against victimisation;
    - analyse trends and issue recommendations –
      - a) for and to the attention of Relevant Stakeholders;
      - b) to the relevant authorities for enactment and/or amendment of appropriate/applicable legislation; and
    - give recognition to whistleblowing initiatives.

On parallel grounds, contacts have been initiated by TM with the Government to have a law on Whistleblowing in Mauritius.

In October 2014, Transparency Mauritius signed MoU’s with Lux Hospitality Ltd and Les Gaz Industriels Ltd (LGI) for whistleblowing. The Executive Director and Project & Research Officer have delivered talks to the employees of the Terra Group, Lux Resorts and LGI throughout 2014. The talks are scheduled to continue in 2015.



**ANNUAL REPORT - DECEMBER 31, 2014**

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**Politics and Government**

TM had meetings with various stakeholders with regards to the funding of political parties. On the 1st December 2014, a pledge for Accountable and Transparent Political Financing was published where CEOs of the 100 top companies were invited to sign the pledge as sign of their participation against political corruption.

A new code of Conduct for Elections was launched on 24 October 2014 and was disseminated through Week End and Le Defi Plus.

TM was party of a sub-committee of the PPPAC which focused on procurement in the public sector. A report was due to be produced in 2015. At the same time, TM engaged meetings with the PPO and it is intended to have a workshop in Mauritius on the Integrity Pact in 2015 with experts from Transparency International and Transparency International India.

**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 and if they need advice before reporting the case to the ICAC. They are encouraged to either call the tollfree hotline or contact TM by mail or walk in to ask for assistance or advice.

Visibility actions throughout the year included press adverts, communiqués and interviews on corruption issues. All adverts carried messages and visuals to sensitize on the bad effects of corruption and to make the population understand what corruption is.

All the activities of Transparency Mauritius are published on the website [www.transparencymauritius.org](http://www.transparencymauritius.org)  
During the year, TM has been present in the local media on several occasions:

- 14 interviews on different radio channels
- 40 articles and/or interviews in different newspapers
- 8 reports on national TV and online news channels.

**Youth**

Transparency Mauritius has delivered a series of talks with the youth in March, November and December 2014. TM is engaged to work closely with the youth of Mauritius to sensitise the youth against corruption and there has been a deep interest from the youth to receive the message from Transparency Mauritius and they have been very keen not only to participate but to act as ambassadors for TM. This Youth Empowerment project is due to continue in 2015 in more schools, universities and clubs.

**Media**

TM recognises the contribution of the press in the fight against corruption. Following the Investigative Journalism workshop held in September 2013, Transparency Mauritius launched its first edition of the Investigative Journalism Award on 7 March 2014. A presentation paper together with the criteria of the award was communicated to all editors as well as to most journalists and the award ceremony was held in May 2014. A manual on Investigative Journalism was also published and launched on the 26 September 2014. The manual was distributed to the journalists, stakeholders and journalism students of the University of Mauritius.

ANNUAL REPORT - DECEMBER 31, 2014

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**Stakeholders and Partnerships**

TM has recognised that the fight against corruption cannot be done in isolation. It has partnered with other stakeholders both in the public and private sectors as well as international partners for the realisation of its objectives.

Agreements were signed with the Embassy of the United States of America, the Canada Fund for Local Initiatives and Global Integrity.

The staff of TM had meetings with the Ambassador and members the US Embassy, members of the Canadian High Commission in South Africa, the Director of the Public Procurement Office, the Chairperson of the Equal Opportunities Commission, the Director of Public Prosecutions, the Minister of Labour, the Director General of the ICAC, the DCP, the MIOD, the MRC, the JEC and the MACOSS.

**Corporate Membership**

TM adopted a new constitution in October 2013 which caters for Corporate Membership. For the year 2014, TM had fourteen corporate members namely Air Mauritius and State Bank of Mauritius as Platinum Corporate members and Jubilee Insurance Ltd, AfrAsia Bank, ENL Ltd, Jade Group, RHT Holdings Ltd, Food and Allied Group, PwC Ltd, Taylor Smith Investment, IBL, Evaco Ltd, Ascent Investment Manager Ltd and Ciel Ltd as Gold Corporate members.

**Transparency International**

- TI Corruption Perception Index

Transparency Mauritius released the results of the TI Corruption Perception Index on 3rd December 2014. Mauritius climbed two points to reach 47th place worldwide with a score of 54 compared to 52 in the previous year.

**Conferences**

- TI Regional and Annual Membership Meetings

The ED attended the Transparency International Africa Regional Meeting which was held in Kigali, Rwanda from 12 to 14 November 2014.

The Chairman attended the Annual Membership Meeting in Berlin, Germany from 15 to 21 October 2014.

- African Union Commission

The ED participated in the Experts Roundtable on Developing a Conduct and Discipline Framework for African Union Peace Support Operations in Addis Ababa, Ethiopia from 15 to 17 December 2014.

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**Board of Directors:**

- Mr Sivananda Vencatapillay, Chairman
- Mr Jacques de Navacelle
- Mr David Martial
- Mr Balmick Molaye
- Mr Ibrahim Koodoruth
- Ms Vanndana Sungkur
- Mr Philippe Hardy

**Company Secretary:**

SIMO Corporate Services Ltd

**Auditors:**

BDO & Co

**Main Contributor:**

Transparency International-Secretariat

Other Contributors:

- DMH Associates
- Rogers Group
- Policy Ltd
- Beemanique Stone Crusher Ltd
- Ramabetco Ltd
- Canadian High Commission in South Africa
- Global Integrity

**Corporate Members (Platinum):**

- State Bank of Mauritius
- Air Mauritius

**Corporate Members (Gold):**

- Jubilee Insurance Ltd,
- AfrAsia Bank,
- ENL Ltd,
- Jade Group,
- RHT Holdings Ltd,
- Food and Allied Group,
- PwC Ltd,
- Taylor Smith Investment,
- IBL,
- Evaco Ltd,
- Ascent Investment Manager Ltd
- Ciel Ltd



SECRETARY'S CERTIFICATE - DECEMBER 31, 2014

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



**SIMO Corporate Services Ltd**

SECRETARY

4 & 5 Floors, Shehnaz Tower

30, Louis Pasteur Street,

PORT LOUIS

Date: **30 -06- 2015**

## TRANSPARENCY MAURITIUS

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### 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 10 to 23 which comprise the statement of financial position at December 31, 2014, the statement of profit or loss and other 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.

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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 10 to 23 give a true and fair view of the financial position of the Company at December 31, 2014, 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 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**  
*Chartered Accountants*  


Port Louis,  
Mauritius.

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

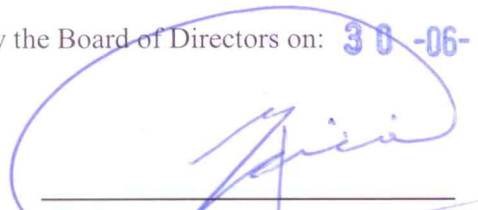
30 JUN 2015

## STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		Rs.	Rs.
<b>ASSETS</b>			
<b>Non-current asset</b>			
Plant and equipment	5	<u>75,489</u>	<u>3,364</u>
<b>Current assets</b>			
Receivables	6	<u>100,600</u>	71,600
Cash at bank		<u>246,189</u>	<u>311,698</u>
		<u>346,789</u>	<u>383,298</u>
<b>Total assets</b>		Rs. <u><u>422,278</u></u>	<u><u>386,662</u></u>
<b>FUND AND LIABILITIES</b>			
Accumulated fund		<u>26,716</u>	<u>(26,659)</u>
<b>Current liabilities</b>			
Payables	7	<u>395,562</u>	409,777
Borrowings		<u>-</u>	<u>3,544</u>
		<u>395,562</u>	<u>413,321</u>
<b>Total fund and liabilities</b>		Rs. <u><u>422,278</u></u>	<u><u>386,662</u></u>

These financial statements were approved for issue by the Board of Directors on: 30-06-2015

  
 \_\_\_\_\_  
 Signature  
 \_\_\_\_\_  
 Philippe HARDY  
 Name

  
 \_\_\_\_\_  
 Signature )  
 \_\_\_\_\_ ) DIRECTORS  
 Raymond Montgallier  
 Name

The notes on pages 14 to 23 form an integral part of these financial statements.

Auditors' report on pages 8 and 9.



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME -  
YEAR ENDED DECEMBER 31, 2014**

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		Rs.	Rs.
Contributions	8	455,000	55,000
Project contributions		1,199,226	2,371,448
Membership fees		<u>861,970</u>	<u>14,300</u>
		2,516,196	2,440,748
Project costs		(661,305)	(2,371,448)
Administrative expenses		<u>(1,806,343)</u>	<u>(1,756,559)</u>
<b>Net operating surplus/(deficit)</b>	9	48,548	(1,687,259)
Other income	11	<u>4,827</u>	<u>33,492</u>
<b>Net surplus/(deficit) for the year</b>		53,375	(1,653,767)
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		Rs. <u><u>53,375</u></u>	<u><u>(1,653,767)</u></u>

The notes on pages 14 to 23 form an integral part of these financial statements.

Auditors' report on pages 8 and 9.

## STATEMENT OF CHANGES IN FUND - YEAR ENDED DECEMBER 31, 2014

	Accumulated Fund <u>Rs.</u>
Balance at January 1, 2014	<u>(26,659)</u>
Net surplus for the year	53,375
Other comprehensive income	-
Total comprehensive income for the year	<u>53,375</u>
<b>Balance at December 31, 2014</b>	<b>Rs. <u><u>26,716</u></u></b>
Balance at January 1, 2013	<u>1,627,108</u>
Net deficit for the year	(1,653,767)
Other comprehensive income	-
Total comprehensive income for the year	<u>(1,653,767)</u>
<b>Balance at December 31, 2013</b>	<b>Rs. <u><u>(26,659)</u></u></b>

The notes on pages 14 to 23 form an integral part of these financial statements.  
Auditors' report on pages 8 and 9.

## STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2014

	<u>Note</u>	<u>2014</u>	<u>2013</u>
		Rs.	Rs.
<b>Operating activities</b>			
Net surplus/(deficit) for the year		53,375	(1,653,767)
Adjustments for:			
Depreciation on plant and equipment		26,506	15,610
Interest income		(4,827)	(33,492)
		<u>75,054</u>	<u>(1,671,649)</u>
Changes in working capital:			
- Increase in receivables		(29,000)	(38,100)
- Decrease in payables		(17,759)	(46,397)
		<u>28,295</u>	<u>(1,756,146)</u>
Cash generated from operations		4,827	33,492
Interest income		<u>4,827</u>	<u>33,492</u>
<b>NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>		<u>33,122</u>	<u>(1,722,654)</u>
<b>INVESTING ACTIVITY</b>			
Purchase of plant and equipment		(98,631)	-
<b>NET CASH USED IN INVESTING ACTIVITY</b>		<u>(98,631)</u>	<u>-</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		<u>(65,509)</u>	<u>(1,722,654)</u>
<b>Movement in cash and cash equivalents</b>			
At January 1,		311,698	2,034,352
Decrease		(65,509)	(1,722,654)
<b>At December 31,</b>	12	Rs. <u>246,189</u>	<u>311,698</u>

The notes on pages 14 to 23 form an integral part of these financial statements.  
Auditors' report on pages 8 and 9.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2014

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**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.

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

Amendments to IAS 32, 'Offsetting Financial Assets and Financial Liabilities', clarify the requirements relating to the offset of financial assets and financial liabilities. The amendment is not expected to have any impact on the Company's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27, 'Investment Entities', define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities. As the Company is not an investment entity, the standard has no impact on the Company's financial statements.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what obligating event that gives rise to pay a levy and when should a liability be recognised. The Company is not subject to levies so the interpretation has no impact on the Company's financial statements.



NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2014

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Basis of preparation (cont'd)*****Amendments to published Standards and Interpretations effective in the reporting period (cont'd)***

Amendments to IAS 36, 'Recoverable Amount Disclosures for Non- financial Assets', remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated. The amendment has no impact on the Company's financial statements.

Amendments to IAS 39, 'Novation of Derivatives and Continuation of Hedge Accounting', provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. The amendment has no impact on the Company's financial statements.

**Annual Improvements 2010-2012 Cycle**

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

**Annual Improvements 2011-2013 Cycle**

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

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2015 or later periods, but which the Company has not early adopted.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of preparation (cont'd)

#### *Standards, Amendments to published Standards and Interpretations issued but not yet effective(cont'd)*

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

IFRS 9 Financial Instruments

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

Annual Improvements to IFRSs 2010-2012 cycle

Annual Improvements to IFRSs 2011-2013 cycle

IFRS 14 Regulatory Deferral Accounts

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

IFRS 15 Revenue from Contract with Customers

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

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

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

Annual Improvements to IFRSs 2012-2014 Cycle

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

Disclosure Initiative (Amendments to IAS 1)

Where relevant, the 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.

### 2.2 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%
Computer equipment	33 1/3%

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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2014

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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.

**2.4 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.



## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2014

## 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:

	<u>2014</u>	<u>2013</u>
	Rs.	Rs.
Counterparties		
Others (diversified risk)	<u>100,600</u>	<u>71,600</u>

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 credit lines available.



## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2014

## 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 Rs.	Between 1 and 2 years Rs.	Between 2 and 5 years Rs.	Over 5 years Rs.
<b>At December 31, 2014</b>				
Payables	<b>395,562</b>	-	-	-
 At December 31, 2013				
Payables	409,777	-	-	-
Borrowings	3,544	-	-	-

## 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.

