

TRANSPARENCY MAURITIUS  
FINANCIAL STATEMENTS - YEAR ENDED  
DECEMBER 31, 2017

# TRANSPARENCY MAURITIUS

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ANNUAL REPORT - DECEMBER 31, 2017

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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, 2017.

**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 a CSR approved NGO referenced 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, 2017

**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 2017**

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

Target groups: The general public

The public sector

The private sector

**Activities (Jan-Dec 2017)**

- Perception Index 2017
- Transparency Mauritius Nicolas Lambert Investigative Journalism Award
- Closing Ceremony Youth Parliament 2016-2017
- Launching of the Youth Forum 2017-2018
- Publication of Youth Parliament Magazine and distribution to decision-makers
- Code of Conduct/Ethics for BOM jointly with the MIOD
- Training on Ethics and Good Governance in Private Organisations
- Implementation and Training on Whistleblowing in Companies
- Advocacy for a Freedom of Information Act
- Advocacy for the regulation of political parties financing
- Advocacy for the review of discretionary powers of ministers
- Talk on Ethics, Integrity and Corruption in secondary and tertiary
- Code of Ethics for Harel Mallac
- Sensitising talks on Ethics, Integrity and Good Governance with the Police
- Integrity Pledge Project with Business Mauritius and the MIOD.
- Registration of TM with the MQA as a Training Centre
- Advocacy and Legal Advice Centre project with Richard Rault Chambers

**Citizens Empowerment**

Transparency Mauritius is still operating the Advocacy and Legal Advice Centre (ALAC) which is open to members of the public for guidance and legal advice with regards to issues connected to corrupt practices. Richard Rault Chambers is the partner of TM on a pro-bono basis for this initiative.

During the year, 19 concerns were registered either by telephone, fax, post and hot-line or in person at the centre. The complainants were referred to the appropriate institutions after their concerns have been assessed both by TM and Richard Rault Chambers.

**Engaging with the Public & Private Sector**

Transparency Mauritius 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 implementation of its objectives.

During the year, TM continued its work within the Public Private Platform against Corruption, the ICAC, the MRA Integrity Advisory, the Bank of Mauritius and with the Mauritius Police Force.

With regards to the Private Sector, TM worked closely with the Mauritius Institute of Directors and Business Mauritius. It is part of the Private Sector Action Group against Corruption.

The Integrity Pledge Project was launched in May 2017 at the Hennessy Park Hotel. It is a joint project of the ICAC, Business Mauritius, MIOD and TM.

TM continued its engagement in whistleblowing with a number of companies from the private sector.

**TI Corruption Perception Index**

The CPI 2016 was made public on 25 January 2017. Mauritius scored one point better than 2016 but lost 5 ranks, from 45<sup>th</sup> to 50<sup>th</sup> on a total of 175 countries. It was third in Africa behind Botswana and Cap Verde and was level with Rwanda. The Government has pledged to reach a rating of around 66 in the coming years.

**Youth Empowerment**

The Youth Parliament project which started in 2016 was completed in 2017 with the publication of the resolutions voted by the participants in a magazine. The idea was to have participants aged between 18 and 26, from 20 constituencies of Mauritius to debate about issues such as electoral reform, corruption, human rights, freedom of information, etc. The resolutions were communicated to the Prime Minister, the Leader of the Opposition, political leaders as well as key stakeholders. The concept was taken on board by the Government and mentioned in its strategic plan.

A similar project, renamed Youth Forum, was launched in 2017 by the Honourable Speaker, Ms Maya Hanoomajee at the Sir Harilall Vaghjee hall, Port Louis. Funded by the NCSR Foundation, the project will be completed by May 2018.

In parallel, TM's team also had sensitising talks on good governance, ethics and integrity in secondary and tertiary institutions.

ANNUAL REPORT - DECEMBER 31, 2017

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**Transparency Mauritius/Media Trust Investigative Award**

TM recognises the contribution of the press in the fight against corruption. Investigative Journalists can bring to light corrupt actions which, otherwise, would have remained unknown to the public. TM provides training in investigative journalism and constantly advocate for responsible but thorough journalism. TM has partnered with the Media Trust for the Investigative Journalism Prize which is awarded every year. The ED is a member of the Jury for the Nicolas Lambert awards.

**TM has been present in the local media:**

- 25 interviews or reports on different radio channels
- 28 articles and/or interviews in different newspapers
- 29 reports on national TV and online news channels

**Overseas Conference Attended**

- The Executive Director attended the Annual Cross Regional Business Integrity Workshop at TI-S in March 2017
- The Executive Director was invited the launching of TI Chapter in Seychelles in April 2017
- The Executive Director attended TI Africa Regional Meeting in Mozambique in July 2017
- The Chair Person and the ED attended the Annual Membership Meeting at Berlin, Germany in October 2017
- The Executive Director attended the Impact Monitoring Training workshop in Berlin, Germany in November 2017

**Board of Directors**

- Mr. Charles Philippe D.B Hardy (Chair)
- Mr. Balmick Molaye
- Mr. Sivananda Vencatapillay
- Mr. Jacques de Navacelle
- Mr. Krishnasamy Ponnusamy
- Ms. Lovania Pertab
- Ms. Brinda Devi Dabysing

**Company Secretary:**

SIMO Corporate Services Ltd

**Auditors:**

BDO & Co

**Corporate Members (Platinum):**

- Air Mauritius Ltd – MUR 100,000
- Alteo Group – MUR 100,000
- Currimjee Jeewanjee & Co Ltd – MUR 100,000
- State Bank of Mauritius Ltd – MUR 100,000
- Mauritius Commercial Bank Ltd – MUR 100,000

ANNUAL REPORT - DECEMBER 31, 2017

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**Corporate Members (Gold):**

- Barclays Bank Mauritius Ltd – MUR 50,000
- Ciel Group – MUR 50,000
- Eclasia Group – MUR 50,000
- Evaco Group – MUR 50,000
- IBL Group – MUR 50,000
- Jade Group – MUR 50,000
- Jubilee Insurance Ltd - MUR 50,000
- Mauritius Oil Refineries Ltd – MUR 50,000
- One & Only Le Saint Geran Ltd – MUR 50,000
- PSG Wealth Ltd – MUR 50,000
- Pwc Ltd – MUR 50,000
- Rehm Grinaker Construction Co Ltd – MUR 51,000
- The Mauritius Union Group – MUR 50,000

**Other fundings:**

- Associations of Rotarians Beau Bassin/Rose Hill – MUR 6,000
- Le Defi Plus Ltd – MUR 67,950
- NCSR – MUR 189,813
- Radio Plus Ltd – MUR 50,000
- Reinsurance Solutions Mauritius Ltd – MUR 100,000
- Toyota Mauritius Ltd – MUR 100,000
- Bank of Mauritius – MUR 121,250
- Beemanique Stone Crusher Ltd – MUR 50,000
- French Embassy – MUR 75,594
- Harel Mallac & Co Ltd – MUR 214,000
- LGI Ltd – MUR 50,000
- LUX – MUR 100,000
- Meaders Feeds Ltd – MUR 75,000
- Terra Mauricia Ltd – MUR 111,000
- The Mauritius Union Group – MUR 52,500

**Partners:**

- Richard Rault Chambers
- Moollan & Moollan – Chartered Certified Accountants

SECRETARY'S CERTIFICATE - DECEMBER 31, 2017

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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

20, Palmerstone Street,

Phoenix

Date: 15 June 2018



## TRANSPARENCY MAURITIUS

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### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Transparency Mauritius

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 audit of the Financial Statements

##### Opinion

We have audited the financial statements of Transparency Mauritius (the Company), on pages 10 to 23 which comprise the statement of financial position as at December 31, 2017, and 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 10 to 23 give a true and fair view of the financial position of the Company as at December 31, 2017, 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.

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT (Continued)**

To the Shareholders of Transparency Mauritius

**Responsibilities of Directors and Those Charged with Governance for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT (Continued)**

To the Shareholders of Transparency Mauritius

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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

15 JUN 2018

## STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2017

ASSETS	<u>Notes</u>	<u>2017</u> Rs.	<u>2016</u> Rs.
<b>Non-current asset</b>			
Plant and equipment	5	<u>4</u>	<u>3,093</u>
<b>Current assets</b>			
Trade and other receivables	6	36,500	35,500
Cash at bank		<u>361,797</u>	<u>350,442</u>
		<u>398,297</u>	<u>385,942</u>
<b>Total assets</b>		Rs. <u>398,301</u>	<u>389,035</u>
<b>FUND AND LIABILITIES</b>			
Accumulated fund		<u>303,475</u>	<u>73,530</u>
<b>Current liability</b>			
Payables	7	<u>94,826</u>	<u>315,505</u>
<b>Total fund and liabilities</b>		Rs. <u>398,301</u>	<u>389,035</u>

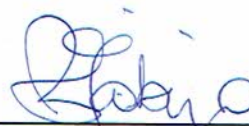
These financial statements were approved for issue by the Board of Directors on: **15 JUN 2018**



Signature

P. Hardy

Name



Signature

Brenda Dabysing

Name

)  
) DIRECTORS

The notes on pages 14 to 23 form an integral part of these financial statements.  
Auditor's report on pages 7 to 9.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME -  
YEAR ENDED DECEMBER 31, 2017**

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		Rs.	Rs.
CSR and other contributions	8	703,950	302,304
Project contributions		271,407	331,149
Membership fees		<u>1,178,000</u>	<u>1,457,800</u>
		2,153,357	2,091,253
Project costs		(120,558)	(311,023)
Administrative expenses		<u>(2,190,604)</u>	<u>(2,056,159)</u>
<b>Net operating deficit</b>	9	(157,805)	(275,929)
Other income	11	<u>387,750</u>	<u>337,340</u>
<b>Net surplus for the year</b>		229,945	61,411
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>	Rs.	<u><u>229,945</u></u>	<u><u>61,411</u></u>

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

Auditor's report on pages 7 to 9.

## STATEMENT OF CHANGES IN FUND - YEAR ENDED DECEMBER 31, 2017

	Accumulated Fund Rs.
Balance at January 1, 2017	<u>73,530</u>
Net surplus for the year	229,945
Other comprehensive income	<u>-</u>
Total comprehensive income for the year	<u>229,945</u>
<b>Balance at December 31, 2017</b>	<b>Rs. <u><u>303,475</u></u></b>
Balance at January 1, 2016	<u>12,119</u>
Net surplus for the year	61,411
Other comprehensive income	<u>-</u>
Total comprehensive income for the year	<u>61,411</u>
<b>Balance at December 31, 2016</b>	<b>Rs. <u><u>73,530</u></u></b>

The notes on pages 14 to 23 form an integral part of these financial statements.  
Auditor's report on pages 7 to 9.

## STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2017

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		Rs.	Rs.
<b>Cash flows from operating activities</b>			
Net surplus for the year		229,945	61,411
Adjustments for:			
Depreciation on plant and equipment		3,089	36,198
Interest received		-	(134)
		<u>233,034</u>	<u>97,475</u>
Changes in working capital:			
Trade and other receivables		(1,000)	139,500
Other payables		<u>(220,679)</u>	<u>(5,238)</u>
Cash generated from operations		11,355	231,737
Interest received		-	134
		<u>11,355</u>	<u>231,871</u>
<b>Net cash generated from operating activities</b>		<u>11,355</u>	<u>231,871</u>
<b>Net increase in cash and cash equivalents</b>		<u>11,355</u>	<u>231,871</u>
<b>Movement in cash and cash equivalents</b>			
At January 1,		350,442	118,571
Increase		<u>11,355</u>	<u>231,871</u>
<b>At December 31,</b>	12	Rs. <u>361,797</u>	<u>350,442</u>

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

Auditor's report on pages 7 to 9.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2017

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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 6th Floor, TN Tower, 13, Saint Georges Street, 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 effective in the reporting period***

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12). The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. The amendment has no impact on the Company's financial statements.

Disclosure Initiative (Amendments to IAS 7). The amendments require the entity to explain changes in its liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences.

**Annual Improvements to IFRSs 2014-2016 Cycle**

IFRS 12 Disclosure of Interests in Other Entities. The amendments clarify that entities are not exempt from all of the disclosure requirements in IFRS 12 when entities have been classified as held for sale or as discontinued operations. The amendment has no impact on the Company's financial statements.



NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2017

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) 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 January 1, 2018 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:

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

Sale or Contribution of Assets between an Investor and its Associate or

Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 16 Leases

Clarifications to IFRS 15 Revenue from Contracts with Customers

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

Annual Improvements to IFRSs 2014-2016 Cycle

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Transfers of Investment Property (Amendments to IAS 40)

IFRS 17 Insurance Contracts

IFRIC 23 Uncertainty over Income Tax Treatments

Prepayment Features with negative compensation (Amendments to IFRS 9)

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)

Annual Improvements to IFRSs 2015-2017 Cycle

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.

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

### 2.2 Plant and equipment (cont'd)

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.

### 2.3 Financial instruments

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

#### (i) Trade and other 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 profit or loss.

#### (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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2017

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**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; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2017

**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>2017</u>	<u>2016</u>
	Rs.	Rs.
Counterparties		
Others (diversified risk)	<u>36,500</u>	<u>35,500</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, 2017

## 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, 2017</b>				
Payables	<b>94,826</b>	-	-	-
<b>At December 31, 2016</b>				
Payables	<b>315,505</b>	-	-	-

## 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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2017

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**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.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2017

5. PROPERTY, PLANT AND EQUIPMENT	Furniture and Fittings	Office equipment	Computer equipment	Total
	Rs.	Rs.	Rs.	Rs.
(a) COST				
At January 1, 2017 & December 31, 2017	86,891	102,267	57,031	246,189
<b>DEPRECIATION</b>				
At January 1, 2017	84,029	102,265	56,802	243,096
Charge for the year	2,861	-	228	3,089
At December 31, 2017	86,890	102,265	57,030	246,185
<b>NET BOOK VALUES</b>				
At December 31, 2017	Rs. 1	2	1	4
	Furniture and Fittings	Office equipment	Computer equipment	Total
	Rs.	Rs.	Rs.	Rs.
(b) COST				
At January 1, 2016 & December 31, 2016	86,891	102,267	57,031	246,189
<b>DEPRECIATION</b>				
At January 1, 2016	66,822	102,265	37,811	206,898
Charge for the year	17,207	-	18,991	36,198
At December 31, 2016	84,029	102,265	56,802	243,096
<b>NET BOOK VALUES</b>				
At December 31, 2016	Rs. 2,862	2	229	3,093

Depreciation charge of Rs.3,089 (2016: Rs.36,198) has been charged in administrative expenses.

6. TRADE AND OTHER RECEIVABLES	2017	2016
	Rs.	Rs.
Membership fees receivables	3,000	2,000
Other receivables	33,500	33,500
	Rs. 36,500	35,500

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2017

**6. TRADE AND OTHER RECEIVABLES (CONT'D)**

- (i) The carrying amounts of receivables approximate their fair value.
- (ii) As at December 31, 2017, none of the receivables were past due and impaired.
- (iii) The carrying amounts of the company's receivables are denominated in Mauritian rupees.
- (iv) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

**7. PAYABLES**

	<u>2017</u>	<u>2016</u>
	Rs.	Rs.
Accrued expenses	45,826	265,505
Loan from chairman	48,000	50,000
other payables	1,000	-
	<u>Rs. 94,826</u>	<u>315,505</u>

The carrying amounts of payables approximate their fair value.

**8. CSR AND OTHER CONTRIBUTIONS**

	<u>2017</u>	<u>2016</u>
	Rs.	Rs.
Cash received during the year	Rs. 703,950	302,304

**9. NET OPERATING DEFICIT**

Net operating deficit is arrived at after:

Charging:

Depreciation on plant and equipment

Employee benefit expense (Note 10)

	<u>2017</u>	<u>2016</u>
	Rs.	Rs.
	3,089	36,198
	<u>1,388,107</u>	<u>1,264,184</u>

**10. EMPLOYEE BENEFIT EXPENSE**

Wages and salaries

Social security costs

	<u>2017</u>	<u>2016</u>
	Rs.	Rs.
	1,299,879	1,177,958
	88,228	86,226
	<u>Rs. 1,388,107</u>	<u>1,264,184</u>



## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2017

11. OTHER INCOME	<u>2017</u>	<u>2016</u>
	Rs.	Rs.
Payables written off	-	295,588
Interest income	-	134
Global Integrity	-	41,618
Drafting training programmes and other services rendered	<u>387,750</u>	<u>-</u>
	Rs. <u><u>387,750</u></u>	<u><u>337,340</u></u>
12. CASH AND CASH EQUIVALENTS	<u>2017</u>	<u>2016</u>
	Rs.	Rs.
Cash at bank	Rs. <u><u>361,797</u></u>	<u><u>350,442</u></u>

## 13. TAXATION

The income, property and funds of the company, wheresoever derived, is being applied solely towards the promotion of the objects of the company as set forth in its Memorandum of Association; and no portion thereof is payable or transferred directly or indirectly, by way of dividend, bonus or otherwise howsoever to the members of the company; and as such the company is not liable to taxation.