# ANNUAL REPORT 2019

BUSINESS MAURITIUS

www.businessmauritius.org

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# MESSAGE FROM THE CHAIRMAN

## Dear friends,

The 2018-2019 fiscal period has been a pivotal year for Business Mauritius. Throughout the year, many changes have been implemented, with one goal in mind: the strengthening of the organisation.

Among other things, we were able to successfully progress on our strategic objective for sustainable and inclusive economic growth through a better structuring of our Commissions and consolidating our internal structures to be fully equipped to implement their recommendations – that also, in the context of the recent leadership transition with the on-boarding of Kevin Ramkaloan as the new CEO in May 2018.

As the voice of the local business community, Business Mauritius has also embarked on a journey to strengthen our communication with our members, by broadening the consultation process through the use of technology as well as various fora, meetings and debates. Closer and stronger links have also been established with our partner members and various stakeholders.

On the policy recommendation level, the Business Mauritius team has launched the National Business Roadmap (NBR) which identifies national enablers for business development. The NBR will be used as a strategic tool to plan new initiatives for private sector collaboration as well as for structuring policy dialogue with authorities and other stakeholders.

Furthermore, we are glad that we managed to establish a new planning model for budget discussions, with which we are now able to make our voices heard well in advance, and in a spirit of convergence. Indeed, a constructive public-private dialogue must remain one of our main priorities. Despite a few turbulences, we succeeded in maintaining the focus on the best interests of the country.

Subjects of national importance, such as the financing  of political parties, must remain in our agenda at all costs.  A few positive steps have been made in this particular field this year, but a long road still lies ahead. Good governance is the most important country development criteria, within which a key building block relates to transparency and accountability on the financing of political parties.

Another subject that deserves more attentionis the need for better synergies between corporates and SMEs. While some initiatives have been launched during the last few years in order to fulfil this goal, we must persevere. SMEs are the backbone of our economy but, faced with an increasingly tough and competitive market, they need our support more than ever.

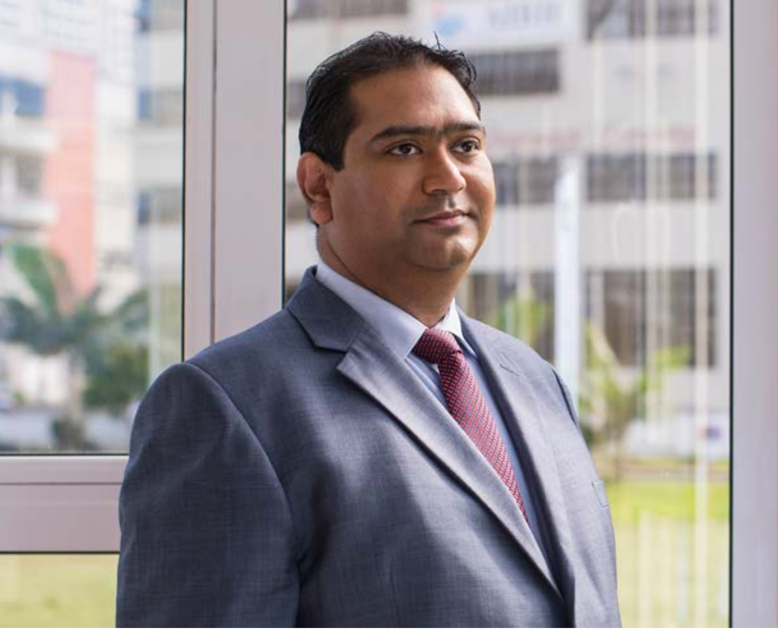
On matters of national importance such as these, we all share a responsibility. We must all row in the same direction, stay united and keep faith in our mission if we want to move forward.

This year is my last as President of our association. It has been a pleasure and an honour for me, well worth the time dedicated to this effort. I would like to extend my gratitude to all those who have supported me over the last two years, in particular Raj Makoond, Kevin Ramkaloan and the entire Business Mauritius' team. My thanks also go to the Council members and the Commission members for their passion, dedication to our common cause and unwavering commitment.

On a final note, let me take this opportunity to extend my best wishes to the incoming President and assure him of my full collaboration.

*Cédric de Spéville*

Chairman
**Business Mauritius**



# MESSAGE FROM THE CEO

## Dear friends,

At the outset, let me take this opportunity to thank our President, as well as members of our Council and Commissions for their continuous support and strategic guidance. After a year at the helm of our association, it gives me great pleasure to report on the progress achieved to date.

### Strengthening the organisation as the voice of the business community

We have put in place an internal structure that mirrors the Commissions through restructuring BM team into four clusters around Economic Collaborations, Social Capital, Sustainability and Inclusive Growth as well as Internal Operations. Business Mauritius is now better equipped to implement the strategic recommendations of the three commissions.

We have recruited young professionals to staff the clusters, with an underlying philosophy of mentoring and career development. We have also implemented an overall performance management system.

Furthermore, we have engaged in a journey to strengthen our internal processes – financial, technology and communication – with a three-year transformative plan to better serve the Business Mauritius community. This includes learning and shared services capabilities as well as creating business opportunities among our members.

### Structuring our policy dialogue

As the voice of local businesses, Business Mauritius has also been able to strengthen our collaboration with the authorities and other stakeholders. A new format has been developed for pre-budgetary consultations on which we expect to continue building in the coming year to improve the breadth and depth of discussions.

We are launching the National Business Roadmap which is the result of wide consultations with members to identify the socio-economic and environmental building blocks required by local businesses to grow in the medium to long term as well as the quick-wins.

BM's wide sphere of public-private collaboration has also been enriched with additional representations on institutions relating to domestic and regional investments, education and training as well as research and innovation among others. We continue our representation on economic cooperation and investment at the international and bilateral agreement levels.

In addition, we have engaged with international organisations such as the EU, the Agence Française de Developpement, the World Bank and the United Nations for the development of national projects and their scaling-up where possible to the region.

The journey has not been a clear run with challenging moments such as the global and local dynamics regarding resource allocations which have impacted on industrial relations. We have ensured that our partner members are included in the negotiation process and have steered the dialogue towards greater sustainable and inclusive economic development for Mauritius.

On another note, many interesting projects are currently taking shape, such as a joint collaboration for a National Skills Matching Platform, the implementation of the National Business Roadmap recommendations, the launch of the Club des Entrepreneurs de la Transition Energétique, codes of practice for people development and for poverty alleviation, the strengthening of the BUROS programme as well as new endeavours around gender mainstreaming and business-related substance abuse prevention, among others.

These projects, and indeed our organisation, can only blossom with your support, Business Mauritius members! Thank you for your trust and confidence. And our promise to fulfil your expectations rests with the dedicated team at Business Mauritius. To each and everyone of my team therefore, a special vote of thanks for your integrity, professionalism and high level of commitment.

*Kevin Ramkaloan*

Chief Executive Officer
**Business Mauritius**

# OVERVIEW OF
# BUSINESS MAURITIUS

**Business Mauritius is an independent association, regrouping approximately 1200 members, that focuses on the three pillars of sustainable development–economic, social and environmental.**

**THE ASSOCIATION** aims at unifying platform of the business community for integration and action on sustainable development for the country. Business Mauritius' main objective is to be the voice of Mauritian businesses, while delivering services that sustain the progress of both businesses and local communities and the Nation as a whole.

### Business Mauritius remains focused on three strategic objectives:

1. **Engage business in the National Economic Development**
2. **Champion the development of all strong Social Capital through Business**
3. **Promote Sustainability and Inclusive Growth for business**

It offers a unique and symbiotic platform for three distinct but inter-related commissions – National Economic Development, Social Capital and Sustainability and Inclusive Growth.

The main goal of each commission is to establish a global vision for the future development of the country where issues are identified and recommendations are formulated for local businesses or on a national level.

Business Mauritius brings together all its members involved in achieving sustainable development, while fuelling broader awareness and actions by sharing its own extensive knowledge and issue expertise. Business Mauritius also proposes policy reviews and pilot projects for the business community.

## Engage business in the National Economic Development

In the light of the evolution and growing complexity of our economic development, it is vital for Business Mauritius, in its dialogue process, to be better prepared in order to offer a clearer understanding of the economic development issues and their impact on our society, while encouraging the business community to implement proposed changes.

The Economic Commission works within these parameters to:

- Act as the economic advisory platform of Business Mauritius and
- Assist in fostering public and private sector dialogue.

## Champion the development of a strong social capital through business

The business sector contributes to around 80% of total employment in Mauritius and therefore enterprises play a key role in the Mauritian social fabric. Many of those companies are reengineering to meet new challenges in social capital development and repositioning their roles and engagement vis-à-vis the community. The Social Capital Commission aims at:

- Rethinking the place and role of companies in 5 to 10 years and coming up with proposals to address challenges related to Human Capital Development and Employer-Employee relationships;
- Getting the business community to drive sustainable and high impact change with regards to social capital.

## Promote sustainability and inclusive growth for business

Two of the major global challenges facing the modern society are the environmental degradation and growing inequality in almost all economic development models. These challenges are no more seen as the responsibility of only Governments and civil society; business can and must play an important role to mitigate those issues. The Sustainability and Inclusive Growth Commission's mission is to:

- Advocate for increased engagement of members in community development;
- Ensure coherence and coordination of community development actions between members and authorities; Engage with Government and institutions via the Business Mauritius platform.

# MEMBERSHIP **DETAILS**

**As at 30th June 2019, Business Mauritius has approximately 1200 members. These members are active across all sectors of the economy.**

Approximately 60% of Business Mauritius' members come from four economic activities, namely:

- Professional, Scientific and Technical Activities
- Wholesale and Retail Trade
- Manufacturing
- Information and Communication

62 % of BM members have a turnover of under Rs 50m.

## Membership by Sector of Activity

| Sector of Activity | % of Membership |
|---|---|
| Accommodation And Food Service Activities | 6% |
| Administrative And Support Service Activities | 4% |
| Agriculture, Forestry And Fishing | 3% |
| Arts, Entertainment And Recreation | 2% |
| Construction | 3% |
| Education | 5% |
| Electricity,Gas, Water And Waste Management | 1% |
| Financing And Insurance Activities | 7% |
| Human Health And Social Work Activities | 2% |
| Information And Communication | 9% |
| Manufacturing | 14% |
| Other Service Activities | 1% |
| Professional, Scientific And Technical Activities | 19% |
| Real Estate | 2% |
| Sectoral And National Organisations | 1% |
| Transportation And Storage | 3% |
| Wholesale And Retail Trade | 17% |

## Membership by Turnover

| Turnover (RsM) | Members |
|---|---|
| 0-50 | 62% |
| 51-99 | 10% |
| 100 and Above | 28% |

# ORGANISATION **STRUCTURE**

**Business Mauritius comprises of permanent and on-contract staff. As at 30 June 2019, the organizational structure of Business Mauritius consists of:**

## 16
### Permanent Staff

Chief Executive Officer

Chief Operating Officer

Administrative Secretaries

Head Social Capital

Industrial Relations Officer

Skills Development Administrator

Training Coordinator

Administrative Assistant

Business Development Officer

Communications Officer

Economic Analyst

Human Resources Executive

Office Attendants

Clerk

## 4
### On Contract Staff

Head Collaborative Economic Development

Head Sustainability and Inclusive Growth/Head SUNREF

Industrial Relations Consultant

Project Manager

# COUNCIL MEMBERS

| Name | Organisation | Status | 19-Jul-18 | 15-Nov-18 | 14-Feb-19 | 24-Apr-19 |
|---|---|---|---|---|---|---|
| **Madhavi Ramdin-Clark** | ACCA Mauritius | Elected Member | 1 | 1 | 1 | 1 |
| **C. Hart de Keating** (until March 2019) | AMM | Partner Member | 1 | 1 | | |
| **Yannis Fayd'herbe** (as from April 2019) | AMM | Partner Member | | | | |
| **Didier Adam** (until March 2019) | BACECA | Partner Member | | | | |
| **Nicolas Pougnet** (as from April 2019) | BACECA | Partner Member | | | | 1 |
| **Vidia Mooneegan** | Ceridian (Mauritius) Ltd | Elected Member / Vice President | 1 | 1 | 1 | 1 |
| **Jean-Pierre Dalais** | CIEL Corporate Services Ltd | Elected Member | 1 | 1 | | |
| **Cédric de Spéville** | Eclosia | Co-opted Member/ Chairman | 1 | 1 | 1 | 1 |
| **Derek Wong** | IAM | Partner Member | | | | |
| **Bertrand Casteres** | Mauritius Union Assurance Ltd | Elected Member | | | | 1 |
| **Ravin Dajee** | MBA | Partner Member | | | | |
| **Sebastien Lavoipierre** | MCA | Partner Member | 1 | | | |
| **Marday Venkatasamy** | MCCI | Partner Member | | | | |
| **Beas Cheekhooree** (until February 2019) | MEXA | Partner Member | | | | |
| **Patrice Robert** (as from March 2019) | MEXA | Partner Member | | | | 1 |
| **Ganesh Ramalingum** (until September 2018) | OTAM | Partner Member | 1 | 1 | | |
| **Roshan Seetohul** (as from October 2018) | OTAM | Partner Member | | 1 | 1 | 1 |
| **Vincent d'Arifat** | Precigraph Ltee | Elected Member | 1 | 1 | | 1 |
| **Jean Li Yuen Fong** | Regional Training Centre | Co-opted Member | 1 | 1 | 1 | 1 |
| **Vishal Nunkoo** | Velogic Ltd | Elected Member | 1 | 1 | | 1 |

*The CEOs of partner members have been in attendance of the Council meetings.*
*Four Special Council meetings were also held during the financial year 2018/19 on the following dates:* ***6th September 2018, 17th April 2019, 9th May 2019 and 10th June 2019.***

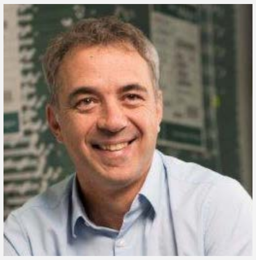
**Cédric de Spéville**
President BM
CEO Eclosia

**Vidia Mooneegan**
Vice President BM
CEO Ceridian (Mauritius) Ltd

**Madhavi Ramdin-Clark**
Treasurer BM
Head ACCA Mauritius

**Jean Li**
Secretary BM
Independent Consultant

**Bertrand Casteres**
CEO Mauritius Union Assurance Ltd



**Vincent d'Arifat**
General Manager
Precigraph Ltee

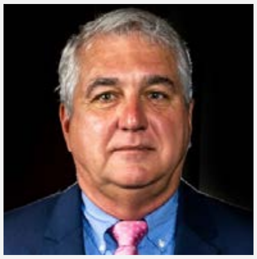
**Vishal Nunkoo**
CEO Velogic Ltd

**Jean-Pierre Dalais**
Group Chief Executive
CIEL Corporate Services Ltd

**Jean Michel Pitot**
President AHRIM
CEO Attitude Group

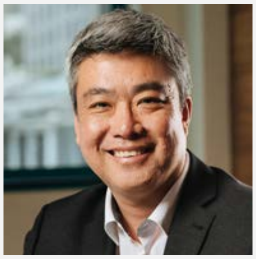
**Yannis Fayd'herbe**
(as from April 2019)
President AMM
MD MCFI Ltd

**Christopher Hart de Keating**
(until March 2019)
President AMM
CEO & Les Gaz Industriels Ltd



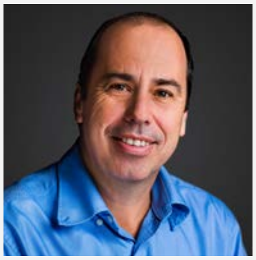
**Didier Adam**
(until March 2019)
President BACECA
MD General Construction

**Nicolas Pougnet**
(as from April 2019)
President BACECA
MD BCE



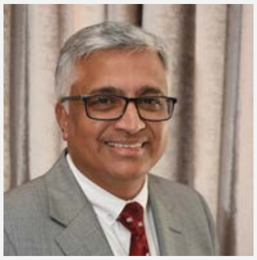
**Derek Wong**
President IAM
MD Mauritian Eagle

**Ravin Dajee**
President MBA
MD Barclays Bank Mauritius Ltd



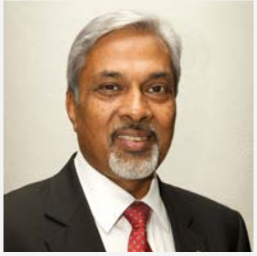
**Sebastien Lavoipierre**
President MCA
CEO ALTEO

**Marday Venkatasamy**
President MCCI
MD Filao Ltd



**Beas Cheekhooree**
(until February 2019)
President MEXA
MD Graphene Technologies Ltd

**Patrice Robert**
(as from March 2019)
President MEXA
CEO IBL Sea Food Cluster



**Ganesh Ramalingum**
(until September 2018)
President OTAM
Executive Director DCL

**Roshan Seetohul**
(as from October 2018)
President OTAM
EURO CRM

# REVIEW OF THE YEAR'S ACTIVITIES

## National Economic Development

**THE NATIONAL ECONOMIC** Development Commission has been set up to serve as a platform for dialogue and sharing of experiences on nationwide economic strategies and policies. Since it was set up, the commission helps in identifying and recommending macroeconomic strategies and orientations that will contribute to reach to the true country's potential.

The National Economic Development Commission also advises Business Mauritius on matters of relevance to help it formulate and recommend pertinent, balanced and practical policy measures and structural reforms. The commission has met 3 times and comprises of 13 members as below:

| Member | Organisation |
|---|---|
| **Gilbert Gnany (Chair)** | MCB |
| **Louis Rivalland** | SWAN |
| **Gérard Boullé** | Eclosia |
| **Vidia Mooneegan** | Ceridian (Mauritius) Ltd |
| **Didier Adam** | General Construction |
| **Paul Jones** | Lux Resorts |
| **B Rajpati** | Consultant |
| **Richard Arlove** | Abax Corporate Services |
| **Lilowtee Rajmun** | MEXA |
| **Mathieu Mandeng** | Standard Chartered Bank |
| **Bertrand Casteres** | Mauritius Union |
| **Barlen Pillay** | MCCI |
| **Raj Makoond** | Independent Representative |

### Sub Committees under the National Economic Development Commission:

- Financial Services and Linkages to the Economy
- Energy
- Pensions and the Ageing Population
- Fintech

## Social Capital Commission

The Social Capital Commission develops proposals for businesses to create a real paradigm shift in employee-employer relationship that can thus improve their competitiveness, attractiveness and business models among others. Social Capital Commission has met 3 times and comprises of 16 members as below:

| Member | Organisation |
|---|---|
| **Vidia Mooneegan** (Chair as from January 2019) | Ceridian |
| **Patrice Legris** (Chair until December 2018) | ALTEO Property |
| **Manish Bundhun** | Rogers Ltd |
| **Hubert Gaspard** | IBL Limited |
| **Vincent d'Arifat** | Precigraph |
| **Cindy Rey** | Ceridian |
| **Eddy Yeung** | Ferney Spinning Mills |
| **Jean Li** | Business Mauritius, ex MSPA |
| **Caroline Piat** | Korn Ferry - Hay Group |
| **Jennifer Webb** | Adecco |
| **Lawrence Wong** | Latrobe Limitee |
| **Nathalie Job** | TNS Analysis |
| **Bertrand Piat** | Beachcomber Ltd |
| **Ravi Jetshan** | Ravior |
| **Sebastien Rousset** | Flowerad |
| **Marc-Antoine Tschopp** | Consultant |
| **Varsha Naran** | Consultant |

### Sub Committees under the Social Capital Commission:

- Professionalisation of HR functions
- Talent Crunch and Future of Work
  - Talent Shortage & Remote Work
  - Freelancing
- Training

## Sustainability and Inclusive Growth Commission

The Sustainability and Inclusive Growth commission works towards advocating for the increased engagement of members in community development. Sustainable and Inclusive Growth Commission has met 5 times and comprises of 20 members as below:

| Member | Organisation |
|---|---|
| **Philippe Espitalier-Noël** (Chair) | Rogers & Co Ltd |
| **Angélique Desvaux** | Lawyer |
| **Caroline Rault** | Maurilait - Eclosia |
| **Dilshaad Bundhun** | Strategia Wealth |
| **Emmanuel André** | IBL |
| **Vivian Serret** | Leal Group Ltd |
| **Harold Mayer** | Lovebridge - CSR |
| **Jacqueline Sauzier** | MCA-Smart Agriculture |
| **Mary-Ann Griffiths** | Bioculture |
| **Rabin Bhujun** | Ion News |
| **Sidharth Sharma** | Rose Hill Transport |
| **Tony Lee Luen Len** | ECOSIS |
| **Thierry Ollivry** | OLADIA LTD |
| **Yogini Ittoo** | OXO |
| **Fabrice Tennant** | OXO |
| **Derick Steinhobel** | ARUP |
| **Kristina Samudio** | Eclosia |
| **Daniel Essoo** | MBA |
| **Mehran Abdouramane** | Sotravic |
| **Audrey d'Hotman** | Rogers & Co Ltd |
| **Shirin Gunny** | AMM |
| **Raj Makoond** | Independent Representative |

## Sub Committees under the Sustainability & Inclusive Growth Commission:

- Inclusive Growth and Corporate Social Responsivity
- Waste Management and Circular Economy
- Energy Transition
- Lagoon and Coastal Preservation
- Smart Agriculture
- Sustainable Cities and Communities
- Climate Finance

# ACTIVITIES RELATED TO NATIONAL ECONOMIC DEVELOPMENT

## National Business Roadmap

**THE COUNCIL MEMBERS,** operational team and the three Commissions of Business Mauritius – namely the Economic Development Commission, the Social Capital Commission and the Sustainability & Inclusive Growth Commission – have been working towards the elaboration of a National Business Roadmap (NBR), a strategic plan for the local business community. Developed at the request of the Council of Business Mauritius, the NBR came out after broad consultations with members of the association. Devised using the Growth Diagnostics Methodology designed by three scholars from Harvard, the National Business Roadmap focuses on constraints which slow down business in Mauritius and proposes enablers to kickstart a more virtuous forward movement.

## Sectoral Representations and new Working Groups

Business Mauritius participated in several local public-private meetings, committees, workshops and seminars for all pillar sectors and emerging sectors. Business Mauritius has also been active on programmes to improve quality standards and business capabilities of SMEs.

New Working Groups (WG) created this year at the request of key operators include the Real estate WG and the Biomass WG.

## Representation on International Economic Cooperation

Highlights of some of the international economic cooperation initiatives on which Business Mauritius participated:

### UK (Brexit)

An agreement was signed on 31st January 2019 and would enter force once United Kingdom leaves the European Union. Mauritius would continue to benefit from the duty-free quota free access on all products as well as allow for sourcing of materials from EU for subsequent export to the UK. The agreement allows Mauritius to continue to benefit from the duty-free quota free access on all products as well as to source materials from EU for subsequent export to the UK.

### Business African, Caribbean and Pacific Group of States (Business ACP)

Business Mauritius partnered with the Business ACP in a regional conference - 'The ACP-EU Private Sector Development Information, Knowledge Sharing, and Networking Event - East Africa and Southern Africa' . The conference was held in Mauritius in May 2019 and centered on the ACP Knowledge.

## EU EPA

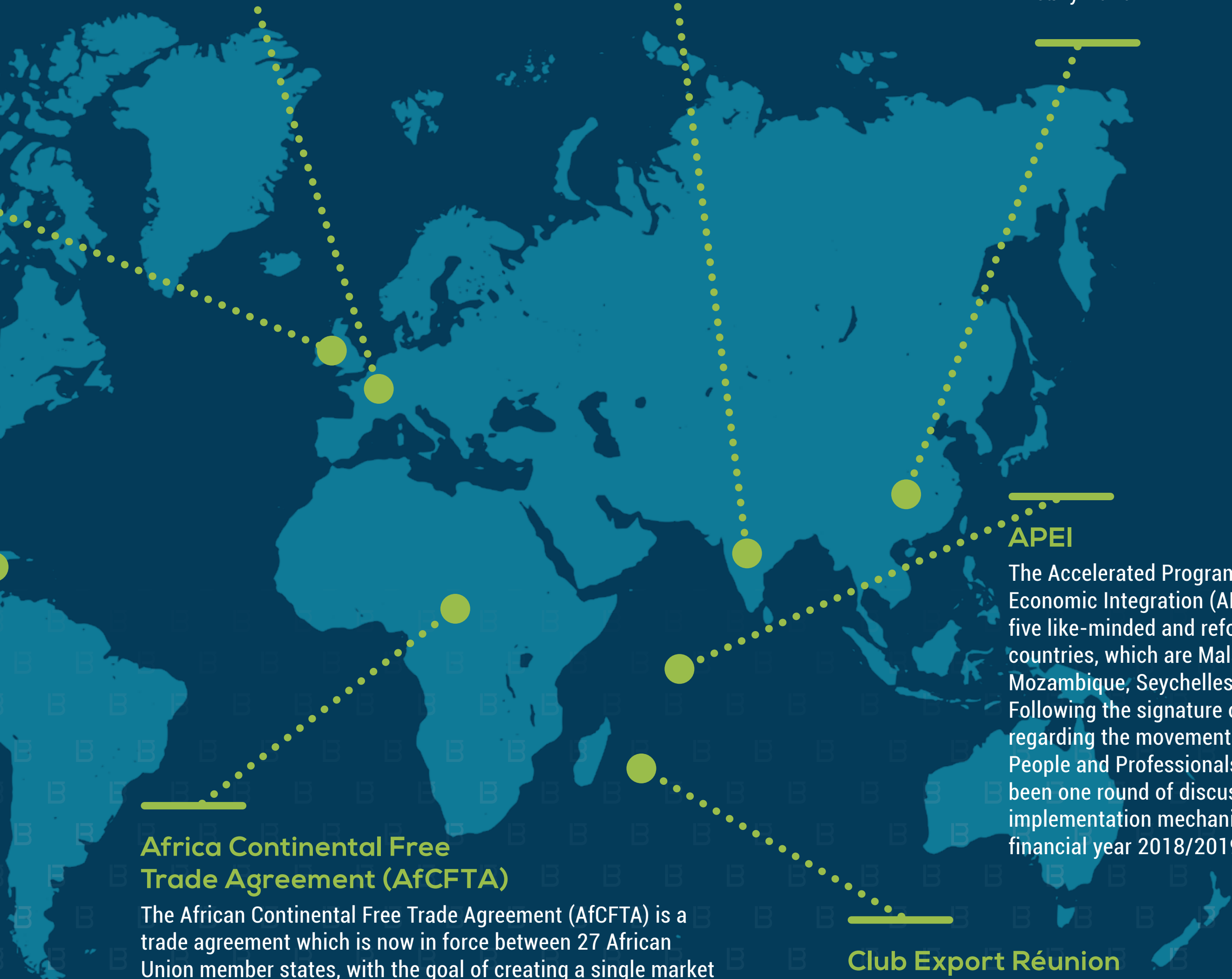
Business Mauritius participated in the EU-ESA EPA meetings to agree on the proposals regarding the deepening of the Interim EPA and the finalisation of the Joint Scoping paper for the deepening of the iEPA.

## India-CECPA

From July 2017 to July 2018, there have been five rounds of negotiations for the Mauritius India Comprehensive Economic Cooperation Partnership Agreement (CEPCA), the last one being in Mauritius. Negotiations are ongoing and Mauritius is awaiting India's position on the Trade in Goods agreement.

## Mauritius-China FTA

For the financial year 2018/2019, there have been four rounds of negotiations on the Mauritius-China Free Trade Agreement. Business Mauritius was involved on negotiations for the following subjects: Trade in Goods, Trade in Services, Investment and Economic Cooperation. In August 2018, all negotiations were concluded, and the FTA is expected to come into effect in early 2020.



## APEI

The Accelerated Programme for Economic Integration (APEI) regroups five like-minded and reform-oriented countries, which are Malawi, Mauritius, Mozambique, Seychelles and Zambia. Following the signature of an MoU regarding the movement of Business People and Professionals, there has been one round of discussion on the implementation mechanism during the financial year 2018/2019.

## Africa Continental Free Trade Agreement (AfCFTA)

The African Continental Free Trade Agreement (AfCFTA) is a trade agreement which is now in force between 27 African Union member states, with the goal of creating a single market followed by free movement and a single-currency union. The AfCFTA Agreement was signed in March 2019 by 54 member states and ratified by the 22nd member state in April 2019. It came into force on 30th of May 2019. AfCFTA members are expected to liberalise 90% of tariff lines over 5 years and gradually liberalise an additional 7% of tariff lines (year 6 to 10), mainly on sensitive products.

## Club Export Réunion

Since 2012, Club Export Reunion has partnered with Business Mauritius on bilateral business forums on sustainable development between Mauritius and Réunion Island. Several panels have been organised highlighting the challenges and possible solutions for the development of sustainable cities, circular economy and renewable energy among others.

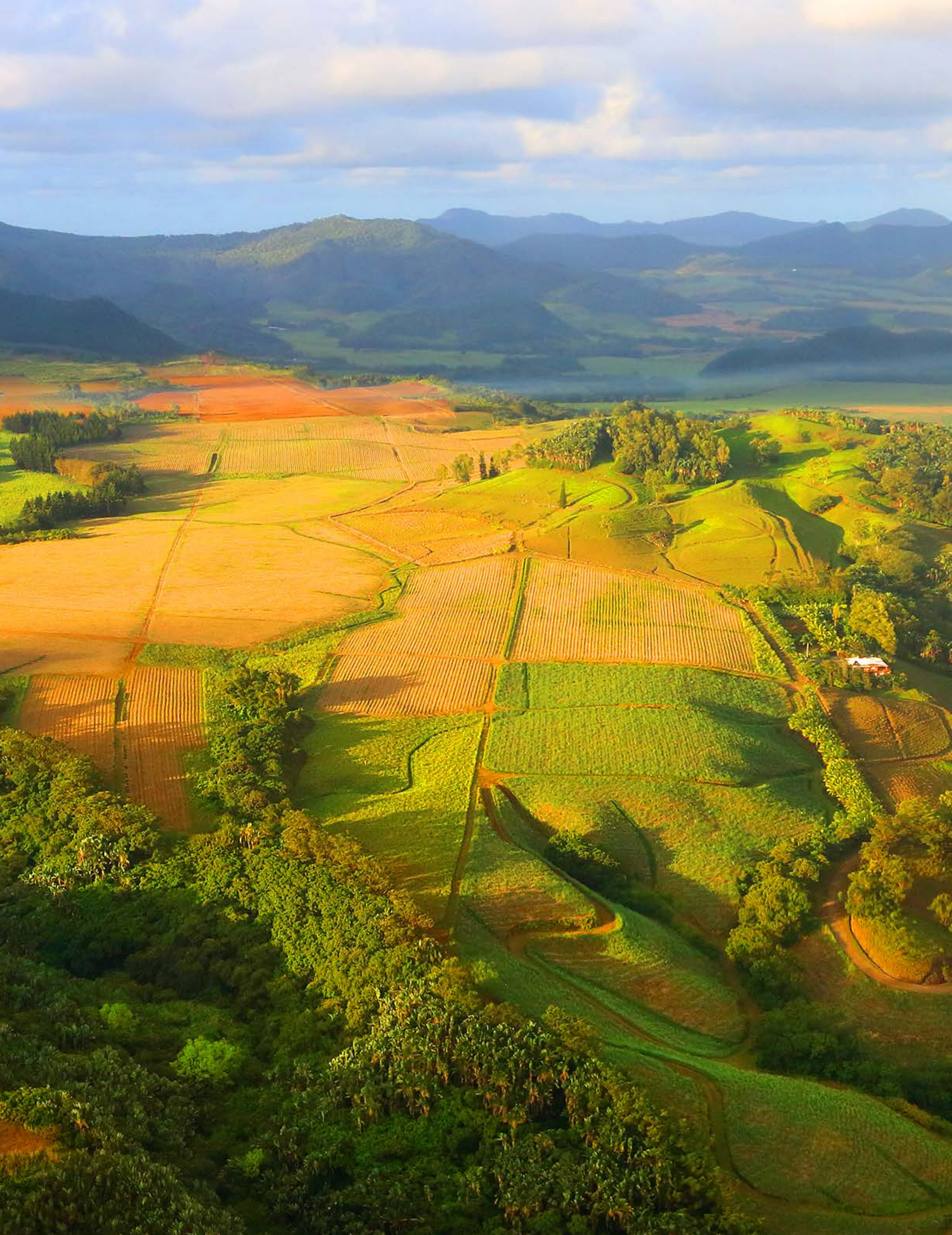
## Business Facilitation

Business Mauritius partners closely with the Economic Development Board (EDB) on Improving the Investment and Business Climate in Mauritius. The new Business Facilitation Act 2019 is one of the results of those consultations.

## Research and Innovation

Business Mauritius co-chairs the Research and Development Working Group with the Mauritius Research Council. The RDWG's objective is to promote research and innovation with commercial potential through two schemes:

- **CRIGS** The Collaborative Research and Innovation Grant Scheme (CRIGS) provides financial incentives for innovative, collaborative research and development projects with commercial potential. In February 2019, Business Mauritius participated on the panel "Supporting Research and Innovation through the Collaborative Research and Innovation Schemes".
- **PoIGS** The Pole of Innovation Grant Scheme (PoIGS) was implemented to enhance the impact of Research and Innovation on the economic and development of the Republic of Mauritius. The PoIGS provides a matching grant up to MUR 9 million over three years to successful applicants for the development of Poles of Innovation by building on existing resources.



## New workers rights and amendments to the employment rights act

**THE WORKERS' RIGHTS BILL** and the Employment Relations Bill which were introduced in the National Assembly on the 12th of July 2019 have been adopted with amendments on the 13th of August 2019. The two acts will come into operation on a day to be fixed by proclamation. The Workers' Rights Act will bring significant changes to issues pertaining to the world of work namely working times, contract of determinate duration, restructuring of enterprises and the introduction of a Portable Retirement Gratuity Fund among others.

Business Mauritius submitted its observation on certain aspects of the two bills which were not business friendly and which would have imposed high compliance costs on businesses. A technical committee will be set up to look into the implementation of the two acts and Business Mauritius will continue to work with the authorities on these issues.

## Report on the Impact of the introduction of the National Minimum Wage (NMW)

Following the introduction of the National Minimum Wage (NMW) in January 2018, an Impact Assessment Report was released by the National Wage Consultative Council on 20 February 2019.

The Report which takes into consideration the impact of the NMW on economic growth, wealth and income distribution, wage ratio, employment and compliance, revealed that the NMW has positively impacted on the lives of low-income families as well as on the economy of the country.

## Employment Permit to Non-Citizens, spouse of Mauritian National

Subsequent to amendments brought to the Non-Citizens (Employment Restriction) Exemptions Regulations 1970 to the effect that non-citizen spouses of citizens of Mauritius will have to obtain a permit to work or engage in any occupation in Mauritius, Business Mauritius had discussions with the authorities concerned. Subsequently, a grandfather clause was added.

## Additional Remuneration/ Salary Compensation Tripartite Negociations

Business Mauritius coordinated the position of its Members on the salary compensation payable with effect from January 2019 and submitted its Memorandum to the Ministry of Finance and Economic Development.

## Salary Survey 2019

Business Mauritius commissioned Kantar TNS to conduct out a Salary Survey for the benefit of its members. The main objectives of the survey will be to:

- Generate market based data on basic salaries by occupations
- Enable enterprises to benchmark their salaries against the market
- Provide guidance to enterprises in designing and implementing attractive salary packages so that they can compete effectively in the labour market

## National Skills Matching Platform

In order to boost productivity by maximizing the skills and talents of our youths, Government in cooperation with Business Mauritius is creating a National Skills Matching Platform to assess the training requirement of job applicants and direct them towards a job or the relevant employability scheme with the guarantee of a job at the end. To this effect, the tourism industry will be used as the pilot, to be followed by other sectors.

## National Apprenticeship Programme (NAP)

The National Apprenticeship Programme (NAP), designed for unemployed youths, combines Work-Based Learning in enterprises with technical knowledge taught in MITD training centres. This year, MITD will expand the number of trades under NAP from 23 to 30. Business Mauritius strongly believes that this apprenticeship programme will provide a systematic means of forging collaboration between TVET institutes and enterprises. In that respect, Business Mauritius has planned a series of briefing sessions to disseminate information on the National Apprenticeship Programme in four different fields as a pilot; namely Sales, Home Carers, Smart Agriculture and Pattern Drafting.

## International Labour Conference

The 108th session of the International Labour Conference was held in Geneva in June 2019. Business Mauritius represented employers in the Tripartite delegation, addressed the plenary and advocated for a greater recognition for businesses in the world of work.

## Decent Work Country Programme

Since 2017, Mauritius has embarked on the elaboration of the second generation of the Decent Country Programme for Mauritius (DWCP). Business Mauritius, as the voice of the business community is involved in the consultation process.

## Training & Development

Business Mauritius aims at assisting private sector organisations in framing future strategic decisions to:

- Enable businesses to remain competitive and maintain skilled and motivated employees
- Improve competencies and performance of workforce to adapt to the rapidly changing economic environment
- Encourage employers to invest in lifelong learning which is central to employment and economic growth

Assistance is provided by:

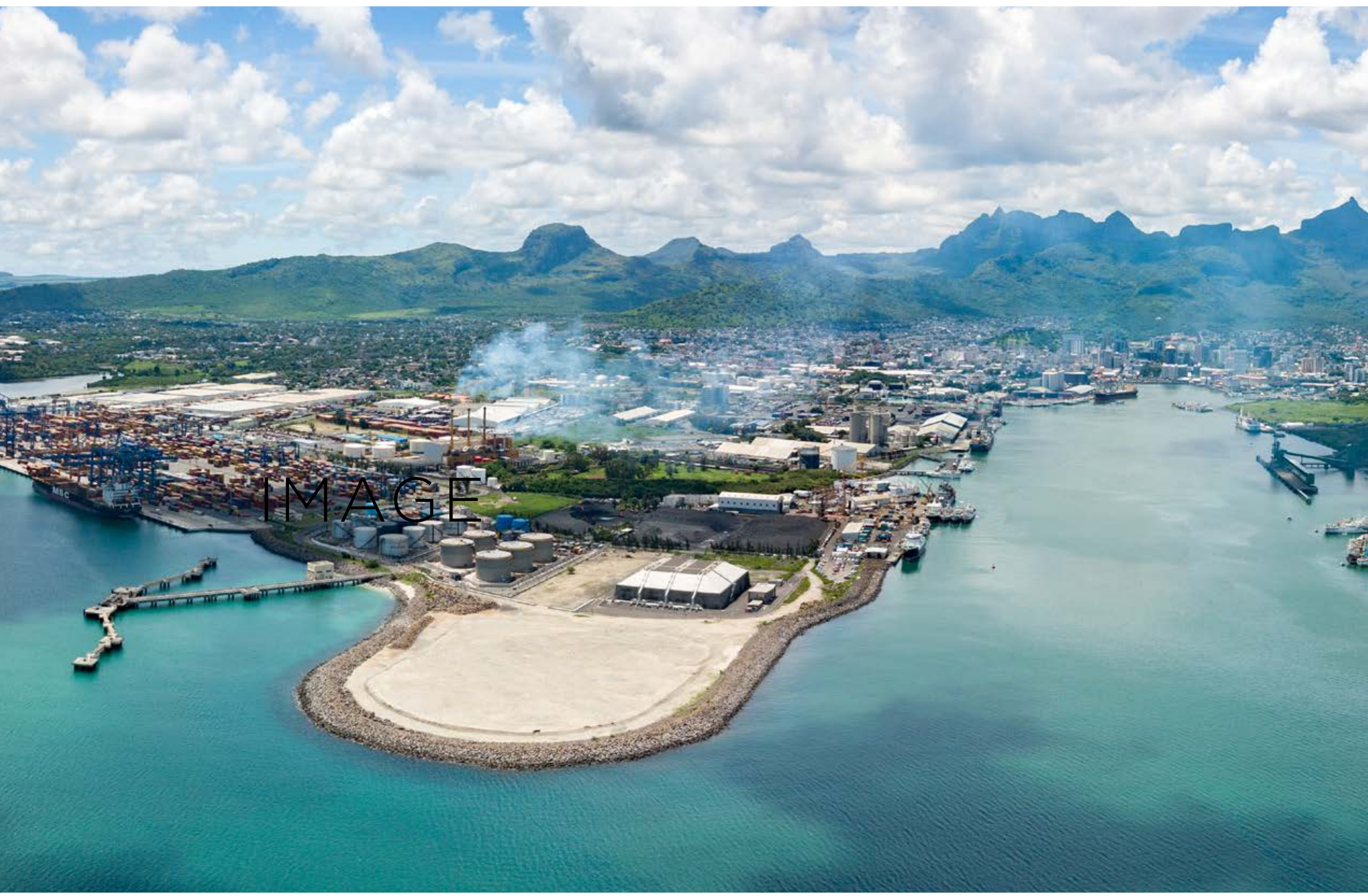
- Designing and running courses as per industry / sector demands to address skills gaps
- Organising High Level Conferences on Topics & issues raised in different forums
- Providing employers with the appropriate tools and techniques to profile and upskill existing staff
- Advising members on changes pertaining to Legislations (Finance Act, Data Protection, HRDC, MQA etc.)
- Facilitating employers to limit administrative constraints that may crop up from the regulatory bodies (MQA / HRDC etc.) or any other difficulties pertaining to Training and Development
- Providing a platform through sub committees on the Social Capital Commission for developing linkages among Training Institutions to capture and disseminating pertinent information related to skills development
- Holistically reviewing the TVET Sector through the sub-committee on the Social Capital Commission

# ACTIVITIES RELATED TO SUSTAINABILITY AND INCLUSIVE GROWTH

**The Sustainability and inclusive Growth Commission has been working on different projects during the year. Highlights of the key projects are as follows:**

## Programme National d'Efficacité Energétique (PNEE)

**THE OBJECTIVE OF THE** Programme National d'Efficacité Energétique is to develop the ecosystem of energy efficiency in Mauritius by creating interaction between governance, business community, technical tools, financing, independent expertise, and the suppliers. The PNEE Phase 1 was launched in 2015-2018 in order to help some 100 companies with tailor-made methodology. The Phase 2 (2019-2023) has been delayed waiting for final decision on a grant mechanism with UNDP and Global Environment Facility. A new re-scoped proposal had been submitted in 2019. In parallel, a micro assessment and spot checks of Business Mauritius has been made by BDO at the request of UNDP.



After completion in May 2019, UNDP advised Business Mauritius that the overall risk assessment rating is "low risk" which demonstrates a well-developed financial management system and our ability to execute national projects.

## Programme Régional d'Efficacité Energétique (PREE)

Under the partnership agreement of the "Programme Régional d'Efficacité Energétique" between Business Mauritius and Indian Ocean Commission, a national mapping of potential energy saving in enterprises were launched in Madagascar, Comoros and Seychelles. The first results were presented in Mauritius during the first meeting of Regional Network for Energy Transition at Business Mauritius in March 2019. Notwithstanding the identification of potential energy saving, Business Mauritius has achieved its commitment to create a joint public and private national steering committee and to contribute to the reinforcement of the relationship between international partners. In this context, Business Mauritius has participated to the 2nd and 3rd meeting of the Regional Network for Energy Transition. The objective is to prepare the new regional strategy for energy transition for the IOC-ENERGIES programme financed by the EU in 2013-2019.

## Club des Entrepreneurs de la Transition Energétique (CETE)

Energy transition allows us to move from a carbon economy to a low carbon economy. This programme, termed "Nou lenerzi" by Business Mauritius, is based on energy efficiency, renewable energies, electric mobility, smart-grid and buildings of the future. Initiatives from Mauritian companies have already emerged. Business Mauritius is now looking at federating and multiplying that number in order to boost competitiveness, value creation and job creation.

The "Club des Entrepreneurs de la Transition Energétique" was launched by Business Mauritius with a registration phase in February 2019. With more than one hundred responses from companies, the first meeting of the Club was held on the 25th of July 2019.

## Waste Management & Recycling

The Waste Management Committee, under the supervision of the Sustainability & Inclusive Growth Commission, has launched an appreciation on a list of waste operators. The objective was to inform our members about the possibilities in this field and to encourage them to set up recycling processes.

## Embellishment Campaign

Business Mauritius is a member of the Centralised Cleaning Coordination Committee and the first activity on which Business Mauritius was involved was the Mega National Cleaning and Embellishment Campaign organised by the Government of Mauritius. Members were solicited for participation and were made aware of the need for a Public-Private Cleaning and Embellishment programme for the country.

## Sustainability Network

Business Mauritius has set-up the "BM Sustainability Network" with the main objective of disseminating knowledge, skills and best practices emanating from the Sustainability & Inclusive Growth Commission. The first meeting of the BM Sustainability Network was held on 26th April 2019.

## Lagoon & Coastal Rehabilitation – Creation of a Public-Private Meeting

Invited at the 3rd meeting of the National Environment Fund (NEF) Board (28th November 2018), Business Mauritius presented its Commission on Sustainability & Inclusive Growth and the sub-committee on Lagoon and coastal rehabilitation. It has been mutually agreed between Business Mauritius and MSSNSESD to sign a Memorandum of Understanding for the setting up a joint public-private initiative for the rehabilitation of coastal zones in Mauritius

## Poverty Alleviation through Business

A guideline for poverty alleviation through business is being prepared by Business Mauritius and the Inclusive Growth subcommittee to help businesses be more engaged in community actions and be a driving force in the fight against poverty. The guideline presents 6 categories of actions that would guide businesses in this endeavour and provides examples of best practices and impact indicators.

## Position Paper on Poverty Alleviation

A Position Paper on Poverty Alleviation was prepared by Inclusive Growth subcommittee and submitted to the National Economic and Social Council (NESC) in October 2018. It was subsequently adopted by the Social Commission of the NESC.

## Active participation in National Roadmap on Electric Vehicles

Electric mobility presents a viable alternative in reducing our import dependency on fossil fuels for private land transport. Thus, Business Mauritius is part of the steering committee led by the Ministry of Energy and Public Utilities in order to develop a roadmap supporting a progressive deployment of electric cars in Mauritius. The final report is expected for October 2019.

## Representation on RE Framework

Business Mauritius, as a board member of Mauritius Renewable Energy Agency (MARENA), was very involved in the preparation of the Renewable Energy Strategic Plan 2018-2023. We are now actively working on the introduction of standards on equipment for solar PV and wind systems. Moreover, the regulatory framework is changing for the energy sector. Business Mauritius participated in the consultation phase led by the Utility Regulatory Authority (URA) to create the Strategic Business Plan 2019/2022. The first action will be implemented shortly with the introduction of the new licensing framework for all operators engaged in the energy production.

## Initiated discussions on Extended Producer Responsibility for Plastic

After a phase of data collection on a piloted group companies engaged to our SIG-Sub-Committee "waste management", Business Mauritius started a discussion on the EPR principle. The target is to create circular economy based on the responsible production and consumption. Under the Partnership for Action on Green Economy (PAGE), Business Mauritius is now co-chairing a steering committee with the Ministry of Industry.

The terms of reference of a study have been prepared in partnership with United Nations Industrial Development Organization (UNIDO) to provide a concrete policy advice on the introduction and implementation of the (EPR) principle.

This action will promote waste reduction, re-use and recycling as well as examining the implementation of the EPR mechanism, initially, for the plastic industry.

# BM SERVICES AND OPERATIONS

## Business Road Safety Programme (BUROS)

**LAUNCHED BY** Business Mauritius in 2018, the Business Road Safety programme (BUROS) is the engagement of the private sector in the National Safety Campaign. It aims at engaging the business community to adopt a preventative approach to road accidents and reach at least 150, 000 employees and therefore sensitise their household, around 500,000 Mauritians through 3 action areas:

- Road Safety Protocol for Enterprises (RSPE)
- Systemic changes for improved Business Related Road Safety and;
- Regular Communication on Business Related Road Safety

As at financial year 2018/2019, BUROS counted 45 companies with 67 Champions. In collaboration with the Ministry of Public Infrastructure, BUROS launched a transportation facilities survey among its members on the various means of transport namely contract buses, motorcycles and goods carriers. Following that, an informative meeting was held in July 2019, with around 45 participants, consisting mainly of Human Resources Managers on training programmes devised for Two-Wheelers and Contract Buses. 40 participants enrolled for the Two-Wheelers Training Programme.

## BM-MCCI New Building Project

An evaluation of the land and existing building was completed by Business Mauritius and MCCI. Consultations are being held to move forward for a joint project.

## Communication on Integrity Report

In the fight against corruption and corporate integrity, Business Mauritius co-chairs with ICAC the Public Private Platform Against Corruption (PPPAC) and is also a member of the Private Sector Anti-Corruption Task Force (PACT) at the level of MIOD.

## Protocol for Heavy Rainfall for the Private Sector

Business Mauritius represents the business community at the National Disaster Risk Reduction and Management Center (NDRRMC) in view of finalising the Heavy Rainfall Protocol for Private Sector. The Protocol would be used as a guideline to private companies on work arrangements in times of heavy rainfall. In that respect, each enterprise would be called to set up an internal Heavy Rainfall Committee to take appropriate actions following a heavy rainfall alert. Specific sectors such as hospitality, bakery or private clinics would be required to set up their own protocol.

## Gender Caucus

Business Mauritius collaborated with the National Assembly on a participatory gender audit exercise. Further to that audit, the findings indicated that the private sector has a positive institutional culture in regard to gender equality and parity of employees. It was noted that the status of women at the highest level of decision-making in enterprises remains very low. The creation of a joint committee was proposed to tackle gender related issues.

## Lovebridge

Business Mauritius is a director on Lovebridge, a public-private sector partnership on grass-root poverty alleviation. Lovebridge plays an active role (alongside the government, the private sector, other NGOs and society at large) in the fight against poverty in Mauritius.

The project aims to build and reinforce the autonomy (empowerment) of families living in poverty, this by intervening on 6 fundamental interrelated pillars which are: Education, Housing, Health, Employment/ Employability, Food & Nutrition and MASCO (Motivation, positive Attitude, Skills and Courage). The project also aims to promote nation building by helping to build bridges among citizens from different walks of life.

## BM Corporate Social Responsibility

BM CSR Fund has implemented and allocated a fund of approximately RS 1,2m for the implementation of the following projects:

- Office & IT Skills Programme For Persons with Disabilities run in collaboration with the society for the Welfare of the Deaf. Approximately 15 participants benefited from this.
- Entrepreneurship Training Programme in Collaboration with Caritas Ile Maurice. This programme enabled 20 participants to have access to the relevant entrepreneurship skills, knowledge, values and attitudes to build and drive a successful business.

# STRATEGIC ORIENTATION **FOR 2019/20**

**The Strategic Plan for 2019/2020 is based on the forthcoming or ongoing actions of the Collaborative Economic Development Team, the Social Capital Team, the Sustainability & Inclusive Growth Team and the Internal Operations Team.**

**THE FOLLOWING KEY** proposed initiatives are highlighted:

## Collaborative Economic Development Team

- In 2019-20, the Collaborative Economic Development team will focus on consolidating the work started for the National Business Roadmap, improving the National Budget Consultation process and reviewing the role and composition of the 3 Commissions.
- The team will also work on maintaining the ongoing analysis and position papers on sectoral and thematic issues.
- The Collaborative Economic Development Team will continue to assist the mapping of the presence of Business Mauritius and of its partner members on boards and committees and strengthen collaboration with external stakeholders on key issues.

## Social Capital Team

- The team of Social Capital, in collaboration with NAP, will work on the setting up of an 'Espace des Métiers' for alumni which will offer services such as networking opportunities and mentoring on entrepreneurship, among others.
- There will be the setting up of a National Skills Matching Platform in collaboration with the government in order to boost productivity by maximizing the skills and talents of our youths. The e-platform will be hosted by Business Mauritius.
- As per the National Business Sector Roadmap, the social capital team will work towards the setting up of a CEO Club to offer a platform for debates on specific themes. Leadership programmes will also be run to assist teams to re-engineer and to adapt to the changes as demanded by the ever-changing economic environment.
- There will be an elaboration of a Code of People Practices enabling business growth and sustainability through sound business practices.
- The Social Capital team will introduce a new IR Consultancy Services to assist members in handling labour management issues involving negotiations with workers' organisations and collective bargaining.
- The Social Capital team will also work towards a study which will be carried on the Employment of Foreign Labour in Mauritius to enable members, understand the dynamics of labour migration and shed light on best practices on human resource policies regarding employment of foreign labour.

## Sustainability and Inclusive Growth Team

- The Sustainability and Inclusive Growth Team is working towards devising a communication strategy in order to engage the business community on energy transition, circular economy, environment vulnerability and protection of biodiversity.
- The "Club Entrepreneurs de la Transition Energétique" will develop its position on energy sector, namely on the Biomass Framework.
- The Production/Importation and Consumption Responsibility principle will create opportunities for industrial symbiosis and waste management network of SMEs and NGOs.
- The team will work towards the operationalisation

of the lagoon rejuvenation programme for the coastal cell of Pointe-aux-Piments and Pointes-aux-Canonniers. That will construct the tripartite financing mechanism recommended by Business Mauritius to the National Environment Fund.

- An Inclusive Growth Code and Award will also be prepared with the objective to help businesses to be more engaged and be a driving force in the fight against poverty.

## Internal Operations Projects

- The Internal Operations Projects team will be working on the development of a Procurement Platform for members via the Phase 2 of the Members' Corner project.
- The team will continue also continue the work in strengthening internal processes and shared services, in setting up of an electronic document management system, devising a membership reward programme and implementing an online communication strategy for Business Mauritius and Business Mauritius members' activities.
- New projects will be set up such as Business-Related Substance Abuse Preventive Program (BURSAPP), Gender Mainstreaming and Equality, Occupational Diseases.
- The team is also working on Heavy Rainfall Protocols to set up a Preparedness Plan and a Business Continuity Plan for rainfall.

# AUDITED **FINANCIAL STATEMENTS**

Business Mauritius Audited Financial Statements for the Year Ended June 2019

# CONTENTS

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUSINESS MAURITIUS

## Report on the Audit of the Financial Statements

### Opinion

**IN OUR OPINION**, the financial statements on pages 30 to 57 give a true and fair view of the financial position of Business Mauritius (the "Association") as at 30 June 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Registration of Associations Act 1978.

### What we have audited

The financial statements of Business Mauritius set out on pages 5 to 28 comprise:

- the statement of comprehensive income for the year then ended;
- the statement of financial position as at 30 June 2019;
- the statement of changes of funds for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements comprising significant accounting policies and other explanatory information.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

### Prior year financial statements

The financial statements for the year ended 30 June 2018 were audited by another auditor who expressed an unqualified opinion thereon on 6 September 2018.

### Responsibilities of Management and Those in Charge of Governance for the Financial Statements

Management is 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 Registration of Associations Act 1978. It is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, it is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those in charge of governance are responsible for overseeing the Association's financial reporting process.

### Auditors' 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 auditors' 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 judgement and maintain professional scepticism 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- 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 the management and with those in charge of 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.

**Other matter**

This report is made solely to the Association's members, as a body, in accordance with the Registration of Associations Act 1978. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members, as a body, for audit work, for this report, or for the opinion we have formed.

Kemp Chatteris

**Kemp Chatteris**
**Chartered Accountants**

*6 September 2019*

**Martine Ip Min Wan, FCA**
**Licensed by FRC**

*6 September 2019*

# STATEMENT OF **FINANCIAL POSITION**

AS AT 30 JUNE 2019

| | Notes | 2019 Rs | 2018 Rs |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 7 | **36 904 509** | 38 218 470 |
| Intangible assets | 8 | **460 126** | 217 175 |
| Financial assets held at FVTOCI | 12 | **-** | 100 000 |
| **Total non-current assets** | | **37 364 635** | 38 535 645 |
| **Current assets** | | | |
| Receivables | 9 | **3 835 033** | 5 507 083 |
| Current tax asset | 17 | **-** | 6 891 |
| Defined benefit assets | 13 | **42 000** | 2 933 933 |
| Other assets | 11 | **10 000 000** | 27 619 268 |
| Receivables from PNEE | | **2 150 813** | 1 718 719 |
| Cash and cash equivalent | | | |
| - own funds | 10 | **32 428 244** | 12 916 937 |
| - project funds | 10 | **4 516 007** | 2 307 106 |
| **Total current assets** | | **52 972 097** | 53 009 937 |
| **Total assets** | | **90 336 732** | 91 545 582 |
| **ACCUMULATED FUND AND LIABILITIES** | | | |
| **Accumulated fund** | | | |
| General fund | | **58 302 383** | 56 790 025 |
| Training fund | | **4 083 866** | 2 618 660 |
| Project fund | | **545 472** | (776 519) |
| Revaluation reserves | 7 | **14 288 317** | 14 288 317 |
| Retirement benefit deficits | 13 | **(1 086 800)** | (419 800) |
| **Total accumulated fund** | | **76 133 238** | 72 500 683 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Defined benefit obligations | 13 | **3 042 000** | 2 260 000 |
| Payables | 16 | **7 176 640** | 10 809 460 |
| Borrowings | 15 | **-** | 1 173 095 |
| Current tax liability | 17 | **7 455** | - |
| Project funds | | **3 977 399** | 4 802 344 |
| **Total current liabilities** | | **14 203 494** | 19 044 899 |
| **Total liabilities** | | **14 203 494** | 19 044 899 |
| **Total accumulated funds and liabilities** | | **90 336 732** | 91 545 582 |

Approved by the President on *6 September 2019*

**Mr Cedric Doger de Speville**
**President**

The notes on pages 34 to 57 form an integral part of these financial statements

# STATEMENT OF **COMPREHENSIVE INCOME**

AS AT 30 JUNE 2019

| FOR THE YEAR ENDED 30 JUNE | Notes | **2019 Rs** | 2018 Rs |
|---|---|---|---|
| **INCOME** | | | |
| Subscription and entrance fees | | **32 323 794** | 31 328 757 |
| Management and marketing fees | | **2 771 292** | 2 376 406 |
| Training income | | **9 539 729** | 8 219 949 |
| Other receipts | | **1 051 147** | 831 786 |
| **Total income** | | **45 685 962** | 42 756 898 |
| | | | |
| **EXPENDITURE** | | | |
| Salaries and payroll related costs | 18 | **21 365 905** | 21 899 688 |
| Training expenses | | **3 950 108** | 3 849 407 |
| Professional and legal fees | | **3 856 166** | 3 753 347 |
| Outsourcing fees | | **1 145 903** | 1 055 530 |
| Marketing and communication expenses | | **1 559 974** | 1 429 866 |
| Administrative expenses | | **6 987 881** | 7 295 424 |
| Depreciation and amortisation | | **2 176 208** | 2 057 723 |
| Provision for bad debts | | **509 271** | 1 670 389 |
| Amount receivable from PNEE written off | | **983 489** | - |
| Bad debts written off | | **457 310** | 435 123 |
| Working groups (Commissions Strategiques) | | **162 505** | 69 963 |
| Other activities | | **111 375** | 140 111 |
| **Total expenditure** | | **43 266 095** | 43 656 571 |
| | | | |
| **Operating surplus/(deficit)** | | **2 419 867** | (899 673) |
| | | | |
| Finance costs | 19 | **(46 947)** | (113 347) |
| Finance income | 20 | **684 615** | 951 242 |
| Surplus/(deficit) before tax | | **3 057 535** | (61 778) |
| Tax expense | 17 | **(79 971)** | (170 587) |
| **SURPLUS/(LOSS) FOR THE YEAR** | | **2 977 564** | (232 365) |
| | | | |
| **Other comprehensive income:** | | | |
| **Items that will not be reclassified subsequently to profit or loss** | | | |
| Actuarial losses on defined benefit obligations | 13 | **(667 000)** | (403 000) |
| Gain on revaluation of property, plant and equipment | | **-** | 14 288 317 |
| **Items that will be reclassified subsequently to profit or loss** | | **-** | - |
| **Other comprehensive (loss)/income for the year, net of tax** | | **(667 000)** | 13 885 317 |
| | | | |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **2 310 564** | 13 652 953 |

The notes on pages 34 to 57 form an integral part of these financial statements

# STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 30 JUNE 2019

| | Notes | General fund Rs | Training fund Rs | Project fund Rs | Revaluation reserves Rs | Retirement benefit deficits Rs | Total |
|---|---|---|---|---|---|---|---|
| **At 1 July 2018** | | **56 790 025** | **2 618 660** | **(776 519)** | **14 288 317** | **(419 800)** | **72 500 683** |
| **Surplus for the year** | | **1 512 358** | **1 465 206** | **1 321 991** | **-** | **-** | **4 299 555** |
| **Other comprehensive loss** | **13** | **-** | **-** | **-** | **-** | **(667 000)** | **(667 000)** |
| **Total comprehensive income/(loss) for the year** | | **1 512 358** | **1 465 206** | **1 321 991** | **-** | **(667 000)** | **3 632 555** |
| **As at 30 June 2019** | | **58 302 383** | **4 083 866** | **545 472** | **14 288 317** | **(1 086 800)** | **76 133 238** |
| At 1 July 2017 | | 58 159 673 | 2 454 046 | 3 029 581 | - | (989 469) | 62 653 831 |
| (Deficit)/surplus for the year | | (396 979) | 164 614 | (3 806 100) | - | - | (4 038 465) |
| Other comprehensive income/(loss) | | - | - | - | 14 288 317 | (403 000) | 13 885 317 |
| Transfer to general fund | 13 | (972 669) | - | - | - | 972 669 | - |
| Total comprehensive (loss)/income for the year | | (1 369 648) | 164 614 | (3 806 100) | 14 288 317 | 569 669 | 9 846 852 |
| As at 30 June 2018 | | 56 790 025 | 2 618 660 | (776 519) | 14 288 317 | (419 800) | 72 500 683 |

The notes on pages 34 to 57 form an integral part of these financial statements

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| **Cash flows from operating activities** | | |
| Surplus/(deficit) for the year before tax | | |
| General Fund | 1 592 329 | (273 717) |
| Training Fund | 1 465 206 | 211 939 |
| | 3 057 535 | (61 778) |
| Adjustments for: | | |
| Depreciation on property, plant and equipment | 2 056 909 | 1 941 375 |
| Amortisation of intangible assets | 119 299 | 116 348 |
| Interest income | (684 615) | (951 242) |
| Interest expense | 46 947 | 113 347 |
| Retirement benefit obligations | 164 000 | 1 433 000 |
| Provision for unpaid subscriptions | 509 271 | 1 670 389 |
| Deferred CSR income utilised | - | (153 340) |
| Amount receivable from PNEE written off | 983 489 | - |
| Bad debts written off | 457 310 | 435 123 |
| Gain on disposal of motor vehicle | (768 633) | - |
| Operating surplus before working capital changes | 5 941 512 | 4 543 222 |
| Change in receivables | 186 201 | 1 166 492 |
| Change in payables | (3 632 820) | 4 963 446 |
| Cash from operations | 2 494 893 | 10 673 160 |
| Interest paid | (46 947) | (113 347) |
| Tax paid | (65 625) | (242 408) |
| Defined benefit obligations transferred | 2 842 933 | (6 794 933) |
| **Net cash from operations** | 5 225 254 | 3 522 472 |
| **Cashflows from investing activities** | | |
| Interest received | 1 303 883 | - |
| Purchase of property, plant and equipment | (1 632 315) | (3 324 992) |
| Purchase of intangible assets | (362 250) | - |
| Proceeds from disposal of motor vehicle | 1 658 000 | - |
| **Net cash used in investing activities** | 967 318 | (3 324 992) |
| **Cashflows from financing activities** | | |
| Finance lease principal repayments | (1 173 095) | (450 070) |
| Change in project funds | (918 537) | (1 298 415) |
| **Net cash used in financing activities** | (2 091 632) | (1 748 485) |
| **Net change in cash and cash equivalents** | 4 100 940 | (1 551 005) |
| Cash and cash equivalents, beginning of the year | 42 843 311 | 44 394 316 |
| **Cash and cash equivalents, end of the year** | 46 944 251 | 42 843 311 |
| **Cash and cash equivalents made up of:** | | |
| General fund and Training fund | 32 428 244 | 12 916 937 |
| Fixed deposits | 10 000 000 | 27 619 268 |
| Project Funds: | | |
| National Energy Efficiency Programme | 1 885 389 | 1 511 396 |
| Switch Africa Green Financing | 11 357 | 642 058 |
| Regional Energy Efficiency Programme | 237 278 | 153 652 |
| Sunref 3 | 2 381 983 | - |
| **Cash in hand and at bank** | 46 944 251 | 42 843 311 |

The notes on pages 34 to 57 form an integral part of these financial statements

## 1. General information and statement of compliance with International Financial Reporting Standards (IFRS)

**BUSINESS MAURITIUS,** the "Association", is a consultative, non-profit making organisation registered in the Republic of Mauritius under the former Registration of Associations Act 1949 on 23 March 1962.

The Association changed its name from The Mauritius Employers' Federation to Business Mauritius pursuant to a Certificate of Registration of Amendment issued by the Registrar of Associations on 01 October 2015.

Business Mauritius is governed by a National Council of 17 members representing the main sectors of the economy.

"The registered office of the Association is BM-MCCI Building, Rue du Savoir, Ebene Cybercity, Ebene 72201, Republic of Mauritius."

Business Mauritius is an independent association that represents over 1200 local businesses. It stems from the Merger, in October 2015, between the Mauritius Employers Federation and the Joint Economic Council.

### The Association remains focused on 3 strategic goals:

1 **Engage business in national economic development**

2 **Develop a strong social capital**

3 **Promote sustainability and inclusive growth**

To sustain and further promote these 3 strategic goals, the Association provides a range of support services to businesses.

The financial statements of the Association have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with the requirements of the Registration of Associations Act 1978.

## 2. Application of new and revised International Financial Reporting Standards (IFRSS)

**IN THE CURRENT YEAR,** the Association has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee of the IASB that are relevant to its operations and effectivefor accounting years beginning on 1 July 2018.

**(i) New and revised standards applied which affect amount reported and disclosed in the financial statements.**

The Association has adopted the following standards which are effective 1 July 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income with no recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The only area of significance to the Association relates to the new expected credit loss model. The Association has assessed the requirements of the new standard through the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. The Council has assessed that no provision for expected credit loss is required for the year under review.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The Association has assessed the implications of the new standard and concluded that the accounting treatment is the same under both IAS 18 and IFRS 15.

The adoption of these standards did not have any impact on the amounts recognised in prior periods and is not expected to have a material impact on the current or future periods.

**(ii) New and revised IFRSs applied with no material effect on financial statements**

The following relevant new and revised IFRSs have been applied in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported and/or disclosed for the current year but may affect the accounting for future transactions or arrangements.

**IFRIC 22** Foreign Currency Transactions and Advance Considerations.

**(iii) New and revised IFRSs in issue but not yet effective**

At the date of authorisation of these financial statements, the following relevant IFRSs were in issue but effective on annual periods beginning on or after the respective dates as indicated.

**IAS 1** Presentation of Financial Statements - Amendments regarding the definition of material (effective 1 January 2020)

**IAS 8** Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material (effective 1 January 2020).

**IAS 12** Income Taxes – Amendments resulting from Annual Improvements 2015-2017 Cycle (income tax consequences of dividends) (effective 1 January 2019).

**IFRS 9** Financial Instruments – Amendments regarding prepayment features with negative compensation and modifications of financial liabilities (effective 1 January 2019).

**IFRIC 23** Uncertainty over Income Tax Treatments (effective 1 January 2019).

**(iii) New and revised IFRSs in issue but not yet effective**

The National Council anticipates that these IFRSs will be applied on their effective dates in future years. The National Council has not yet had an opportunity to consider the potential impact of the application of these amendments.

## 3. Summary of significant accounting policies

The accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

**Basis of Accounting**

The Association has adopted a fund-based accounting system emphasising on accountability. The Funds (Restricted and Unrestricted) maintained by the Association are:

(1) General Fund

(2) Training Fund and (3) Projects Fund.

The financial statements have been prepared on the historical cost basis, except for the revaluation of building.

**The policies adopted are set out below.**

**(a) Going concern**

The financial statements have been prepared on a going concern basis.

**(b) Revenue recognition**

The main revenue streams are recognised as follows:

Operating revenue

- Subscriptions are recognised in the year when they fall due.
- Income from new admission fees are recognised in the relevant year of admission.
- Seminar and Training fees are recognised at the date of the seminar at the fair value of the consideration received or receivable.
- Marketing fees are recognised on quarterly basis.

Investment income
Interest accrued is recognised on a daily basis.
Members' subscriptions prepaid
Amounts received in advance are carried forward and included in liabilities as subscriptions prepaid.

**(c) Expenditure recognition**

Expenditure is recognised as follows:

- Expenditure related to a specific revenue stream is recognised in the same period as the revenue.
- Expenses are accounted for on an accruals basis in the statement of comprehensive income.

**(d) Foreign currency**

Functional and presentation currency

The financial statements are presented in Mauritian Rupees ("Rs"), which is also the functional currency of the Association.

Transactions and balances

Foreign currency transactions are translated into the foreign currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

**(e) Property, plant and equipment**

All property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

At 30 June 2019, the Building on leasehold land was carried at fair value, based on valuation conducted by a professional independent property valuer in accordance with RICS – Professional Standards performed during the year 30 June 2018.

It is the policy of the Association to revalue the Building on leasehold land every 3 to 5 years.

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

| | |
|---|---|
| • Building on leasehold land | 2% |
| • Improvements to Building on leasehold land | 2% |
| • Motor vehicles | 20% |
| • Furniture and fittings | 10% |
| • Computer equipment and software | 25% |

The estimated useful lives are reviewed at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the statement of comprehensive income. All repairs and maintenance are expensed during the financial year in which they are incurred.

Motor vehicle under finance lease is depreciated over its expected useful life on the same basis as owned assets.

**(f) Intangible assets**

Expenditures incurred on computer software programs are recognised as intangible assets and are amortised over 4 years using the straight line method.

**(g) Receivables**

Receivables include mainly members' subscriptions, seminar fees and marketing fees receivable. Receivables are recognised initially at fair value and subsequently measured at amortised cost less an allowance for any irrecoverable amounts. Allowance is made when there is objective evidence that the Association will not be able to recover balances in full. Balances are written-off when the probability of recovery is assessed as being remote.

**(h) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, together with other short-term, highly liquid investments maturing within 90 days from date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

Fixed deposits with maturity dates mores than 90 days are presented under Other assets in the statement of financial position.

**(i) Financial instruments**

Financial instruments carried on the statement of financial position are receivables, cash and cash equivalents, other assets, financial assets held at FVTOCI, borrowings and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

**(j) Leases**

<u>Finance leases</u>

Depreciation method and useful life for asset held under finance lease agreement corresponds to those applied to comparable assets which are legally owned by the Association. The corresponding finance lease liability is reduced by lease payments less finance costs, which are expensed as part of finance costs. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to the statement of comprehensive income, as finance costs over the period of the lease.

<u>Operating leases</u>

All other leases are treated as operating leases. Where the Association is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

**(k) Provisions**

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. Timing or amount of the out flow may still be uncertain.

**(l) Accumulated funds**

Accumulated funds include all current and prior years' results.

**(m) Projects' fund**

The projects' fund is initially recognised as a liability on receipt and subsequently reduced by amounts disbursed in relation to the intended use of these funds.

**(n) Payables**

Payables include mainly accruals and subscription fees received in advance. Trade and other payables are not interest bearing and are stated at fair value.

**(o) Related parties**

Related parties are individuals, including management personnel, where the individual has the ability, directly or indirectly, to control the other party, or exercise significant influence over the party in making financial and operational decisions.

**(p) Post-employment benefits**

The Association provides post-employment benefits through defined contribution plan and defined benefit plan.

*3. Summary of significant accounting policies (continued)*

**(q) Financial assets held at FVTOCI**

"On initial recognition, the Association may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Association manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss has not been reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to accumulated fund.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. The Association has designated all investments in equity that are not held for trading as at FVTOCI on initial application of IFRS 9."

**(r) Income taxes**

Tax expense recognised in profit and loss comprises the sum of deferred tax, CSR (Corporate Social Responsibility) and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting years, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

The Association is subject to CSR and the contribution is at the rate of 2% on the chargeable income of the preceding year. However, effective as from 1 January 2018, further to change in the income tax legislation, the Association is required to contribute at least 50% of its CSR money to the National CSR Foundation through the Mauritius Revenue Authority. The remaining 50% of the CSR can be used by the Association in accordance with its own CSR Fund. Effective 1 January 2019, the contribution to the Mauritius Revenue Authority must be at least 75%.

**(s) Comparative figures**

Comparative figures have been regrouped and/or restated where necessary to conform with the current year's presentation.

**(t) Purchase of small value assets**

Small assets of value less than Rs 10,000 are "expensed" in the statement of comprehensive income.

## 4. Financial Instrument Risk

**Risk management objectives and policies**

The Association's financial instruments comprise mostly receivables, cash and cash equivalents and payables. The Association is therefore exposed to various risks in relation to financial instruments such as credit risk, market rate risk and liquidity risk.

The Association's risks are managed at the level of the National Council.

The Association's financial assets and financial liabilities by category are summarised below.

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| **Non-current assets** | | |
| Financial asset held at FVTOCI | | |
| Unquoted investment | - | 100 000 |
| **Total non-current assets** | - | 100 000 |
| | | |
| **CURRENT ASSETS** | | |
| Receivables * | **5 237 541** | 6 900 080 |
| Cash and cash equivalents ** | **32 428 244** | 12 916 937 |
| Other assets | **10 000 000** | 27 619 268 |
| **Total current assets** | **47 665 785** | 47 436 285 |
| | | |
| **Total financial assets** | **47 665 785** | 47 536 285 |
| | | |
| **FINANCIAL LIABILITIES** | | |
| *Financial liabilities at amortised cost:* | | |
| Payables *** | **1 503 386** | 1 912 815 |
| Borrowings | - | 1 173 095 |
| **Total financial liabilities** | **1 503 386** | 3 085 910 |

* Receivables are exclusive of prepayments and advance payments.

** Cash and cash equivalents are exclusive of project funds.

*** Payables are exclusive of subscription and seminar fees received in advance and deferred subscription income.

### 4.1 Market risk analysis

Foreign currency sensitivity

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments denominated in foreign currencies will fluctuate because of changes in foreign exchange rates. The Association does not have any financial assets and financial liabilities denominated in foreign currencies. Consequently, the Association is not exposed to any foreign currency risk.

Interest rate risk

The Association is exposed to interest rate risk as it receives interest on its interest bearing assets and pays interest on finance lease at floating market rates. However, the effect of a change in market interest rates would have a marginal impact on the operating cash flows and surpluses

*4. Financial Instrument Risk (continued)*

### 4.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Association. The Association's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| **NON-CURRENT ASSETS** | | |
| Financial asset at FVTOCI | - | 100 000 |
| **Total non-current assets** | | 100 000 |
| | | |
| **CURRENT ASSETS** | | |
| Receivables | **5 237 541** | 6 900 080 |
| Cash and cash equivalents | **32 428 244** | 12 916 937 |
| Other assets | **10 000 000** | 27 619 268 |
| **Total current assets** | **47 665 785** | 47 436 285 |
| | | |
| **Total assets** | **47 665 785** | 47 536 285 |

The Association continuously monitors default of its members and other counterparts and incorporate this information into its credit risk controls.

Based on the historical information about default rates, the management considers that the possibility of material loss arising in the event of non-performing members and other counterparts is mitigated. The Association's credit policy is to assess all subscription fees due for more than 365 days and provisions are made in case recoverability is doubtful.

The credit risk for the cash and cash equivalents and fixed deposits are considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings.

No financial assets are pledged as collateral.

It is not foreseen to have credit loss based on the loss allowance model.

### 4.3 Liquidity risk analysis

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

Ultimate responsibility for liquidity risk management rests with the management who also monitors the Association's short, medium and long-term funding and liquidity management requirements. The Association manages liquidity risk by ensuring timely recovery of receivables

The following are the contractual maturities of financial liabilities

| | Carrying amount Rs | Contractual cash flows Rs | Less than 1 year Rs | More than 1 year Rs |
|---|---|---|---|---|
| **2019** | | | | |
| Payables | **1 503 386** | **1 503 386** | **1 503 386** | **-** |
| **Total** | **1 503 386** | **1 503 386** | **1 503 386** | **-** |
| **2018** | | | | |
| Payables | 1 912 815 | 1 912 815 | 1 912 815 | - |
| Obligations under finance lease | 1 173 095 | 1 173 095 | 1 173 095 | - |
| | 3 085 910 | 3 085 910 | 3 085 910 | - |

## 5. Fair Value Measurement

**5.1 Fair Value measurement of financial instruments**

The Association's financial instruments are measured at their carrying amounts, which approximate their fair values.

**5.2 Fair Value measurement of non-financial instruments**

The following table shows the levels within the hierarchy of non- financial assets measured at fair value.

| | Level 1<br>Rs | Level 2<br>Rs | Level 3<br>Rs | **Total**<br>**Rs** |
|---|---|---|---|---|
| **30 JUNE 2019** | | | | |
| **Property, plant and equipment** | | | | |
| Building on leasehold land | - | - | 32 943 554 | **32 943 554** |
| **30 JUNE 2018** | | | | |
| **Property, plant and equipment** | | | | |
| Building on leasehold land | - | - | 33 000 000 | **33 000 000** |

Fair value of the Association's building on leasehold land (including improvement to building on leasehold land) was estimated at 30 June 2018 based on appraisals performed by an independent qualified property valuer. The significant inputs and assumptions were developed in close consultations with management.

**Building on leasehold land (Level 3)**

The building and leasehold land were revalued at 30 June 2018 by Aestima Ltd, an independent qualified property valuer, at Rs 77.5 million.

The building is capitalised in accordance with IAS 16, "Property, Plant and Equipment" and the land is treated as an operating lease in accordance with IAS 17, "Leases".

The building's fair value stood at Rs 33M (area owned by the Association of Rs 28.5M and shared area of Rs 4.5M) which resulted in a revaluation surplus of Rs 14,288,317.

The appraisal was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the property in question, including plot size, location, encumbrances and current use.

The significant unobservable input is the adjustment for factors specific to the property in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions and that the carrying value of the building is a reflection of its fair value at the reporting date.

The Association's other non-financial assets are measured at their carrying amounts, which approximate their fair values.

## 6. Critical Accounting Estimates and Management Judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

Useful lives and residual values of intangible assets and plant and equipment

The Association reviews its estimate of the useful lives of its intangible assets, plant and equipment at each reporting date, based on the expected utility of the assets.

Provision for unpaid subscriptions

The Association reviews the adequacy of provision for unpaid subscriptions at each reporting date. Allowance is made when there is objective evidence that the Association will not be able to recover balances in full. Balances are written-off when the probability of recovery is assessed as being remote.

Defined benefit obligations

Management's estimate of the DBO is based on a number of critical underlying assumptions such as inflation rates and mortality rates which were developed with the assistance of an independent actuarial appraisers.

Property valuation

The Association obtained a valuation in June 2018 by a professional independent property valuer of the leasehold property at BM-MCCI Building, Rue du Savoir, Ebene Cybercity. The valuation was in accordance with RICS – Professional Standards on the basis of market value.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The association determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the management of the assets are compensated. The association monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the association's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

## 7. Property, Plant and Equipment

| | Building on leasehold land Rs | Improvement to building on leasehold land Rs | Furniture and fittings Rs | Computer equipment Rs | Motor vehicles Rs | Total Rs |
|---|---|---|---|---|---|---|
| **COST** | | | | | | |
| At 1 July 2018 | 31 560 803 | 1 947 270 | 7 404 036 | 8 327 823 | 5 434 466 | 54 674 398 |
| Additions | - | 609 524 | 218 755 | 804 036 | - | 1 632 315 |
| Disposals | - | - | - | - | (3 513 966) | (3 513 966) |
| At 30 June 2019 | 31 560 803 | 2 556 794 | 7 622 791 | 9 131 859 | 1 920 500 | 52 792 747 |
| **ACCUMULATED DEPRECIATION** | | | | | | |
| At 1 July 2018 | - | 71 585 | 6 346 880 | 7 362 031 | 2 675 432 | 16 455 928 |
| Charge for the year | 631 216 | 85 562 | 182 420 | 568 373 | 589 338 | 2 056 909 |
| Disposals | - | - | - | - | (2 624 599) | (2 624 599) |
| At 30 June 2019 | 631 216 | 157 147 | 6 529 300 | 7 930 404 | 640 171 | 15 888 238 |
| **CARRYING AMOUNT** | | | | | | |
| At 30 June 2019 | **30 929 587** | **2 399 647** | **1 093 491** | **1 201 455** | **1 280 329** | **36 904 509** |

The net book value of motor vehicle held under finance lease is Nil at 30 June 2019.

***Top insert Property, Plant and Equipment (continued)***

| | Building on leasehold land Rs | Improvement to building on leasehold land Rs | Furniture and fittings Rs | Computer equipment Rs | Motor vehicles Rs | Total Rs |
|---|---|---|---|---|---|---|
| **COST** | | | | | | |
| At 1 July 2017 | 23 105 266 | 1 231 365 | 7 090 429 | 7 908 938 | 5 063 966 | 44 399 964 |
| Additions | - | 672 000 | 313 607 | 418 885 | 1 920 500 | 3 324 992 |
| Disposals | - | - | - | - | (1 550 000) | (1 550 000) |
| Revaluation adjustment | 8 455 537 | 43 905 | - | - | - | 8 499 442 |
| At 30 June 2018 | 31 560 803 | 1 947 270 | 7 404 036 | 8 327 823 | 5 434 466 | 54 674 398 |
| **ACCUMULATED DEPRECIATION** | | | | | | |
| At 1 July 2017 | 5 282 865 | 40 382 | 6 178 806 | 6 829 803 | 3 521 572 | 21 853 428 |
| Charge for the year | 462 105 | 75 108 | 168 074 | 532 228 | 703 860 | 1 941 375 |
| Disposals - | - | - | - | (1 550 000) | (1 550 000) | |
| Revaluation adjustment | (5 744 970) | (43 905) | - | - | - | (5 788 875) |
| At 30 June 2018 | - | 71 585 | 6 346 880 | 7 362 031 | 2 675 432 | 16 455 928 |
| **CARRYING AMOUNT** | | | | | | |
| At 30 June 2018 | 31 560 803 | 1 875 685 | 1 057 156 | 965 792 | 2 759 034 | 38 218 470 |

The net book value of motor vehicle held under finance lease is Rs1,094,605 at 30 June 2018.

On 30 June 2018, an independent valuation of the Association's building on leasehold land (including improvement to building on leasehold land) was undertaken by Aestima Ltd, a member of the Royal Institution of Chartered Surveyors to determine the fair value of the building. The valuation was made on the basis of the market value for existing use. The carrying value of the building was adjusted to the revalued amount and the resultant surplus was credited to revaluation reserves in other comprehensive income.

## 8. Intangible Assets

| | Software and licences | |
|---|---|---|
| | **2019** | 2018 |
| | **Rs** | Rs |
| **COST** | | |
| At 1 July | **514 610** | 514 610 |
| Additions during the year | **362 250** | - |
| **As at 30 June** | **876 860** | 514 610 |
| | | |
| **AMORTISATION** | | |
| At 1 July | **297 435** | 181 087 |
| Charge for the year | **119 299** | 116 348 |
| **As at 30 June** | **416 734** | 297 435 |
| | | |
| **Carrying amount as at 30 June** | **460 126** | 217 175 |

## 9. Receivables

| | **2019 Rs** | 2018 Rs |
|---|---|---|
| Subscriptions and seminar fees, gross | **2 487 270** | 3 866 765 |
| Provision for bad debts | **(509 271)** | (1 670 389) |
| Subscriptions and seminar fees, net | **1 977 999** | 2 196 376 |
| Other receivables | **1 126 961** | 2 678 191 |
| Prepayments | **730 073** | 632 516 |
| | **3 835 033** | 5 507 083 |

(i) Subscription and seminar fees receivable (net of allowances) held by the Association at 30 June 2019 amounted to Rs 1,977,999 (2018: Rs 2,196,376).

(ii) The amount of the provision was Rs 509,271 as at 30 June 2019 (2018: Rs 1,670,389). Impaired receivables mainly relate to subscriptions due from members. The movements in provision for bad debts are presented below

| | **2019 Rs** | 2018 Rs |
|---|---|---|
| As at 1 July | **1 670 389** | 697 540 |
| Increase in provision for unpaid subscriptions | **509 271** | 1 670 389 |
| Provision for unpaid subscriptions utilised | **(1 670 389)** | (697 540) |
| As at 30 June | **509 271** | 1 670 389 |

(iii) As at 30 June 2019, subscriptions and seminar fees receivable past due but not impaired amounted to Rs 1,977,999 (2018: Rs 2,196,376). The ageing of these receivables is as follows:

| | **2019 Rs** | 2018 Rs |
|---|---|---|
| Less than one year | **1 977 999** | 2 196 376 |

(iv) It is not foreseen to have credit loss based on the loss allowance model.

## 10. Cash and Cash Equivalents

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| **OWN FUNDS** | | |
| Cash at bank and in hand | | |
| General Fund and Training Fund | **32 428 244** | 12 916 937 |
| **PROJECT FUNDS** | | |
| National Energy Efficiency Programme (Note 14) | **1 885 389** | 1 511 396 |
| Switch Africa Green Financing | **11 357** | 642 058 |
| Regional Energy Efficiency Programme (Note 14) | **237 278** | 153 652 |
| Sunref 3 | **2 381 983** | - |
| Total project funds | **4 516 007** | 2 307 106 |
| **Total** | **36 944 251** | 15 224 043 |

## 11. Other Assets

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| **CURRENT ASSETS** | | |
| **Fixed deposits** | **10 000 000** | 27 619 268 |

Other assets relate to fixed deposit placed with la Prudence Leasing with maturity dates more than 90 days from date of origination. Fixed deposit maturing within the next twelve months have been recognised under current assets.

## 12. Financial Assets Held at FVTOCI

**UNQUOTED AND AT COST:**

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| **As at 1 July** | **100 000** | 100 000 |
| Derecognised during the year | **(100 000)** | - |
| **As at 30 June** | **-** | 100 000 |

**DETAILS OF INVESTMENT ARE AS FOLLOWS:**

| Name of investee | Country of incorporation | Type of shares | % holding | 2018 |
|---|---|---|---|---|
| Enterprise Mauritius | Mauritius | Equity | 0.12 | 100 000 |

The investment in Enterprise Mauritius has been derecognised as investments held at FVTOCI and reclassified as other receivable upon its winding up in January 2018.

## 13. Retirement Benefit Obligations

**Defined Contribution Plan**

The Association has established a Defined Contribution Pension Plan for staff. Contributions to the plan are charged to the statement of comprehensive income as they are incurred

**Defined Benefit Plan**

The Company also sponsors two final salary defined benefit pension schemes for some of its employees (ex-MEF and ex-JEC respectively). The arrangement is wholly funded by the Association. This Defined Benefit plan is being converted to the Association's existing Defined Contribution Plan. The estimated reserve required for the above has been provided for in the 2019 Financial Statements.

| | **2019 Rs** | 2018 Rs |
|---|---|---|
| Defined benefit assets | **42 000** | 2 933 933 |
| Defined benefit obligations | **(3 042 000)** | (2 260 000) |

**Reconciliation of Net Defined Benefit (Liability)/Asset ***

| | **2019** | | | 2018 |
|---|---|---|---|---|
| | **Ex-JEC Pension plan Rs** | **Ex-MEF Pension plan Rs** | **Total Rs** | Ex-MEF and Ex-JEC pension plans Rs |
| At 1 July | **(2 260 000)** | **2 933 933** | **673 933** | (4 285 000) |
| Total expenses | **(254 000)** | **90 000** | **(164 000)** | (1 433 000) |
| Employer contribution | **-** | **-** | **6 794 933** | |
| Refund | **-** | **(2 842 933)** | **(2 842 933)** | - |
| Actuarial losses recognised in OCI | **(528 000)** | **(139 000)** | **(667 000)** | (403 000) |
| As at 30 June | **(3 042 000)** | **42 000** | **(3 000 000)** | 673 933 |

Only one employee is entitled to retirement gratuities as at 30 June 2019.

*Retirement Benefit Obligations (continued)*

| | Number | Average age | Total basic pay (MUR'000) | Total Remuneration (MUR'000 pa) | Average Service (years) |
|---|---|---|---|---|---|
| **Female** | **1** | **54** | **569** | **616** | **33.8** |

* per report of independent Actuary

| | **2019 Rs** | 2018 Rs |
|---|---|---|
| **MOVEMENT IN RETIREMENT BENEFIT DEFICITS** | | |
| As at 1 July | **(419 800)** | (989 469) |
| Movement during the year | **(667 000)** | (403 000) |
| Transfer to general fund | **-** | 972 669 |
| As at 30 June | **(1 086 800)** | (419 800) |

## 14. Project Funds

**National Energy Efficiency Programme (PNEE)**

The National Energy Efficiency Programme ("Programme National d'Efficacite Energetique" or "PNEE Programme") was launched in March 2014 as a common initiative of the Ministry of Energy and Public Utilities, the Joint Economic Council ("JEC") and the Agence Francaise de Developpement ("AFD").

The Association took ownership to manage the PNEE Programme following the integration and combination of JEC with Business Mauritius during the period ended 30 June 2016. The Programme ended on 31 December 2017

The PNEE Programme was part-financed to the amount of EUR 70,000 by the AFD and European Union ("EU"), and part-financed by private local enterprises in Mauritius. The financing from AFD and EU was in accordance with a "Convention de partenariat strategique et financier" signed by AFD and JEC on 23 December 2014.

The main objective of the Programme was to improve energy efficiency in the private sector. The Programme comprised of three stages as follows:

(i) Energy audit;

(ii) Training; and

(iii) Dissemination information.

At 31 December 2017, the PNEE Programme had secured 88 energy audit contracts with various local enterprises. The financial details of the Programme are given in Appendix 3 of these financial statements.

**Switch Africa Green Financing**

The Association received funds to finance the third stage of the PNEE Programme. These funds emanate from Switch Africa Green, a United Nations Project funded under the United Nations Environment Programme ("UNEP"). UNEP is an EU funded programme, implemented by the United Nations Development Programme ("UNDP") and United Nations Office for Project Services ("UNOPS").

The objective of Switch Africa Green is to foster African countries in their transition to an inclusive green economy. These funds will be utilised for financing technical consultancy assistance in the implementation phase of the PNEE Programme.

The financial details of funds from Switch Africa Green are given in Appendix 4.

**Regional Energy Efficiency Programme (PREE)**

On 22 August 2017, the Indian Ocean Commission (IOC) and the Association signed a Partnership Agreement to implement the Programme Regionale d'Efficacite Energetique (PREE) developed under the IOC-ENERGIES Programme and funded by European Union.

The expected results are mainly:

(i) The sharing of experience and methodology from PNEE in Mauritius;

(ii) Enhance regional private sector dialogue; and

(iii) Organise "Public-Private Meeting" on energy efficiency in Seychelles, Comoros and Madagascar.

There is a dedicated PREE contract signed for 12 months(2017/2018) to the amount of EUR 20,000 funded by the IOC for the services of Business Mauritius.

The financial details of the PREE Programme are given in Appendix 5.

**Sustainable Use of Natural Resources and Energy Finance Programme (SUNREF)**

The Sustainable Use of Natural Resources and Energy Finance Programme (SUNREF) established by the Agence Française de Développement (AFD) provides solutions for the new energy and environmental transition by helping private actors in the South to seize its opportunities and encouraging local financial institutions to finance it. The Financing Agreement between AFD and Business Mauritius was signed on 12th March 2018.

SUNREF 3 Mauritius was put in place by AFD with two partner banks (the MCB and SBM) on 11 September 2018.

*Project Funds (Continued)*

SUNREF 3 aims to assist Mauritius into implementing its National Defined Contributions (NDCs) as provided in its agreement to the Paris Climate agreement. It adopts an innovative trendsetting approach with the objectives of financing climate attenuation and climate adaptation projects as well as gender equality projects which is an additional step to the green investment project.

The SUNREF 3 Program Facility has three components:•

1. A credit line of EUR 75 M (concessional loan granted by AFD to the PBs): MCB and SBM with an investment grant of 5% to eligible project bearers upon verification of the investment completion and performances + 1% if auto-diagnosis on gender activities and action plan are adopted.
2. A Grant of EUR 3.75 M funded by AITF which will be used to provide an additional investment grant of 10% for eligible climate adaptation or an additional investment grant of 5% for gender-related projects providing a favourable environment for gender equality,
3. A Technical Assistance (TA) financed by the AITF. The TA is provided by Business Mauritius (BM) with the support and expertise of the AETS/ ARTELIA consortium through a contract signed in November 2018.

The financial details of the SUNREF Programme are given in Appendix 6.

## 15. Borrowings

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| **OBLIGATIONS UNDER FINANCE LEASE** | | |
| Within one year | - | 1 173 095 |
| More than 1 year but before 5 years | - | - |
| | - | 1 173 095 |
| Less future finance charges | - | - |
| | - | 1 173 095 |
| *Apportioned as follows:* | | |
| Repayable within one year | - | 1 173 095 |
| Repayable after 1 year and before 5 years | - | - |
| | - | 1 173 095 |

**Summary of the leasing arrangement**

The finance lease relates to a motor vehicle with a lease period of 5 years. The Association has paid in full the leased amount as well as the corresponding charges during the financial year ended 30 June 2019.

## 16. Payables

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| Subscription fees received in advance | **5 351 178** | 7 277 341 |
| Seminar fees received in advance | - | 1 481 657 |
| Accrued expenses | **1 503 386** | 1 912 815 |
| Deferred seminar income | **322 076** | 137 647 |
| | **7 176 640** | 10 809 460 |

The Association's policy with respect to accrued invoices are that they are settled within 30 days of invoice date.

## 17. Taxation

### 17.1 Income tax expense

The Association is liable to income tax at the rate of 15% on investment income and training provided to non-members. At 30 June 2019, it had an income tax liability of Rs 7,455 (2018: income tax asset of Rs 6,891). The income tax liability is calculated according to the tax rate applicable to the fiscal year to which it relates, based on the taxable income for the year.

The Association is subject to the Advance Payment Scheme ("APS") whereby it is required to submit an APS statement and pay tax quarterly.

The Association is also subject to the Corporate Social Responsibility ("CSR") Fund and the contribution is at a rate of 2% on the chargeable income of the preceding financial year.

### 17.2 Statement of comprehensive income

| | **2019**<br>**Rs** | 2018<br>Rs |
|---|---|---|
| Income tax on the taxable income | **75 550** | 99 522 |
| CSR paid | **12 491** | 12 372 |
| (Overprovision)/under provision in respect of prior years | **(8 070)** | 58 693 |
| Tax expense | 79 971 | 170 587 |

### 17.3 Statement of financial position

**CURRENT TAX (LIABILITY)/ASSET**

| | **2019**<br>**Rs** | 2018<br>Rs |
|---|---|---|
| As at 1 July | **6 891** | (64 930) |
| Tax (refund)/paid during the year | **(7 536)** | 123 623 |
| Income tax on the taxable income | **(75 550)** | (99 522) |
| (Overprovision)/under provision in respect of prior years | **8 070** | (58 693) |
| CSR payable | **(12 491)** | (12 372) |
| Tax paid under APS | **73 161** | 118 785 |
| As at 30 June | **(7 455)** | 6 891 |

## 18. Employee Benefit Expenses

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| Wages and salaries | **14 864 444** | 14 222 658 |
| Defined contribution expenses | **927 659** | 1 034 967 |
| Defined benefit expenses | **164 000** | 1 433 000 |
| Statutory pension expenses | **518 608** | 400 564 |
| Other staff related costs | **4 891 194** | 4 808 499 |
| | **21 365 905** | 21 899 688 |

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## 19. Finance Charges

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| Interest payable on finance lease | **46 947** | 113 347 |

## 20. Finance Income

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| Interest income | **684 615** | 951 242 |

Finance income comprises interest accrued on fixed deposits held by the Association.

## 21. Related Party Transactions

During the year ended 30 June 2019, the Association had transactions with related parties.
The nature, transactions and balances with the related parties were as follows:

| Name of related parties | Nature of relationship | Nature of transactions | **Volume of transactions Rs** | **Balances at 30 June 19 Rs** | Balances at 30 June 2018 Rs |
|---|---|---|---|---|---|
| BM CSR Fund Ltd | Related through National Council members | Administrative fees | **13 134** | **75 367** | 62 233 |
| Business Mauritius Provident Association | Related through National Council members | Marketing fees | **111 693** | **553 043** | 441 350 |
| Super Fund | Related through National Council members | Marketing fees | **153 004** | **161 176** | 314 180 |
| BM CSR Fund Ltd | Related through National Council members | Training programme on CSR | **1 129 860** | **-** | (1 129 860) |

Compensation to key management personnel

An amount of Rs 6,322,131 has been paid to key management personnel during the year ended 30 June 2019 (2018: Rs 8,754,298).

## 22. Events After the Reporting Date

There are no events after the reporting period which may have a material effect on the financial statements as at 30 June 2019.

## General Fund

**Statement of comprehensive income**

For the year ended 30 June 2019

| | **2019** | 2018 |
|---|---|---|
| | **Rs** | Rs |
| **INCOME** | | |
| Subscriptions and entrance fees | **32 323 794** | 31 328 757 |
| Management and marketing fees | **2 771 292** | 2 376 406 |
| Other income | **807 005** | 764 582 |
| | **35 902 091** | 34 469 745 |
| **EXPENDITURE** | | |
| Salaries and payroll related costs | **19 976 578** | 20 586 323 |
| Professional and legal fees | **3 430 824** | 3 363 623 |
| Outsourcing fees | **772 142** | 750 751 |
| Marketing and communication expenses | **1 374 847** | 1 429 866 |
| Administrative expenses | **7 169 089** | 7 131 143 |
| Provision and bad debts written off | **966 581** | 2 105 512 |
| Amount receivable from PNEE written off | **983 489** | - |
| Working group (commission strategique) | **162 505** | 69 963 |
| Other activities | **111 375** | 140 111 |
| | **34 947 430** | 35 577 292 |
| Operating surplus before finance income/(costs) | **954 661** | (1 107 547) |
| Finance costs | **(46 947)** | (113 347) |
| Finance income | **684 615** | 947 177 |
| Surplus/(deficit) before tax | **1 592 329** | (273 717) |
| Tax expense | **(79 971)** | (123 262) |
| Surplus/(deficit) for the year | **1 512 358** | (396 979) |
| **OTHER COMPREHENSIVE (LOSS)/INCOME:** | | |
| Items that will not be reclassified subsequently to profit or loss | | |
| Actuarial losses on defined benefit obligations | **(667 000)** | (403 000) |
| Gain on revaluation of building | **-** | 7 715 691 |
| Items that will be classified subsequently to profit or loss | **-** | - |
| Other comprehensive (loss)/income for the year, net of tax | **(667 000)** | 7 312 691 |
| **Total comprehensive income for the year** | **845 358** | 6 915 712 |

## Training Fund

### Statement of comprehensive income

For the year ended 30 June 2019

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| **INCOME** | | |
| Training income | **9 539 729** | 8 219 949 |
| Other income | **244 142** | 67 204 |
| | **9 783 871** | 8 287 153 |
| **EXPENDITURE** | | |
| Salaries and payroll related costs | **1 389 327** | 1 313 365 |
| Training expenses | **3 950 108** | 3 849 407 |
| Professional and legal fees | **425 342** | 389 724 |
| Outsourcing fees | **373 761** | 304 779 |
| Marketing and communication expenses | **185 127** | - |
| Administrative expenses | **1 995 000** | 2 222 004 |
| | **8 318 665** | 8 079 279 |
| Operating surplus before finance income | **1 465 206** | 207 874 |
| Finance income | **-** | 4 065 |
| Surplus before tax | **1 465 206** | 211 939 |
| Tax expense | **-** | (47 325) |
| Surplus for the year | **1 465 206** | 164 614 |
| Other comprehensive income: | | |
| Items that will not be reclassified subsequently to profit or loss | | |
| Gain on revaluation of building | **-** | 6 572 626 |
| Items that will be classified subsequently to profit or loss | **-** | - |
| Other comprehensive income for the year, net of tax | **-** | 6 572 626 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | **1 465 206** | 6 737 240 |

## National Energy Efficiency Programme (PNEE)

**Statement of receipts and payments**

for the year ended 30 june 2019

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| Opening balance | **1 511 396** | 3 090 760 |
| **RECEIPTS** | | |
| Local enterprises | **1 733 350** | 7 257 546 |
| Others - HRDC | **2 791 400** | - |
| **Total receipts** | **4 524 750** | **7 257 546** |
| **PAYMENTS** | | |
| Payment to consultants | **(3 035 253)** | (7 823 567) |
| Payment made for Switch Africa | **(949 805)** | - |
| Refund to AFD - Sunref 2 | **(152 724)** | - |
| Loss on exchange | **(1 720)** | - |
| Salaries and related expenses | **-** | (1 001 306) |
| Bank charges | **(11 255)** | (12 037) |
| Total payments | **(4 150 757)** | (8 836 910) |
| **Net receipts/(payments)** | **373 993** | **(1 579 364)** |
| **Cash held at end of year (note 10)** | **1 885 389** | **1 511 396** |

## Switch Africa Green Financing

### Statement of receipts and payments

For the year ended 30 June 2019

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| Opening balance | **642 058** | 514 761 |
| **RECEIPTS** | | |
| Receipts from sponsor | **1 740 000** | 2 504 489 |
| Interest received | **1 170** | - |
| Total receipts | **1 741 170** | 2 504 489 |
| **PAYMENTS** | | |
| Payment to consultants | **(2 313 467)** | (2 434 547) |
| Bank charges | **(5 075)** | (11 244) |
| Total payments | **(2 318 542)** | (2 445 791) |
| **Net (payments)/receipts** | **(577 372)** | 58 698 |
| (Loss)/gain on retranslation | **(53 329)** | 68 599 |
| Cash held at end of year (note 10) | **11 357** | 642 058 |

## National Energy Efficiency Programme (PNEE)

### Statement of receipts and payments

for the year ended 30 june 2019

| | 2019<br>Rs | 2018<br>Rs |
|---|---|---|
| **Opening balance** | **153 652** | - |
| **RECEIPTS** | | |
| Receipts from sponsor | **614 960** | 477 000 |
| **Total receipts** | **614 960** | 477 000 |
| **PAYMENTS** | | |
| Overseas missions | **(539 380)** | (321 458) |
| Bank charges | **(2 427)** | (1 890) |
| Total payments | **(541 807)** | (323 348) |
| **Net receipts** | **73 153** | 153 652 |
| Gain on retranslation | **10 473** | - |
| **Cash held at end of year (note 10)** | **237 278** | 153 652 |

## National Energy Efficiency Programme (PNEE) - Sunref 3

### Statement of receipts and payments

For the year ended 30 June 2019

| | 2019<br>Rs |
|---|---|
| **Opening balance** | - |
| | |
| **RECEIPTS** | |
| Receipts from sponsor | 2 301 000 |
| Gain on foreign exchange | 82 173 |
| **Total receipts** | 2 383 173 |
| | |
| **PAYMENTS** | |
| Bank charges | (1 190) |
| Total payments | (1 190) |
| Net receipts | 2 381 983 |
| Cash held at end of year (note 10) | 2 381 983 |

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