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Employees Welfare Fund

ANNUAL REPORT

Financial year 2020 - 2021

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1.0 Corporate Profile

The Employees Welfare Fund (EWF) is a public organization set up in 1991 and operates under the aegis of the Ministry of Finance, Economic Planning and Development. It caters for the welfare, leisure and recreational needs of employees and their families working in the **Public** and **Private** Sectors, in the form of loans, financial assistance and welfare projects. The Fund is administered by a Board made up of representatives of Employees, Employers and Government in line with the philosophy of tripartism. The Fund became a corporate body in 1995 with the enactment of the Employees Welfare Fund Act 1995.

Employees from **public and private** sectors, on behalf of whom employers contribute to the **NSF (National Savings Fund)**, are members of the Fund and are thus eligible to benefit from all our schemes.

The objectives of the Fund are:

- To manage the financial and other resources of the Fund
- To set up and operate schemes and projects for the welfare of employees and their families
- To give loans or financial assistance to employees or their families for such purposes as may be determined by the Board
- To do all such things as appear to be necessary and conducive to the promotion of the welfare of employees and their families in general

2.0 Mission Statement

Our Vision

To be the leading welfare institution for employees and their families

Our Mission

To be responsive to the evolving WELFARE needs of employees and their families in line with the objectives of the institution.

Our Values

- Uphold Quality of Products and Services
- Optimum Utilisation of Resources
- Accountability
- Effective Communications
- Integrity
- Innovation & Creativity
- Lifelong Learning

3.0 Chairman's Message

On behalf of the Board, I am presenting the Annual Report and Audited Financial Statements of the Employees' Welfare Fund (EWF) for the Financial Year ended 30 June 2021.

3.1 Overview

I hope that you will agree with me that Covid-19 was a defining feature of 2020 onwards. In more ways than one, it forced us all to confront the fragility and realities of life.

The Fund faced a challenging business environment for the Financial Year ending June 2021 and the continued effect of COVID-19 pandemic negatively impacted on the Economic Activities of the Fund.

However, the Fund stay focused on its main objective, that is, to increase accessibility and efficiency of the facilities being offered to a larger number of employees.

During the year 2021, the EWF loan facilities which have been and remain one of the Fund's main activities were revisited in the best interest of the employees. The rate of interest for Education Loan was reduced from 5% to 4% for loan amount Rs1M and for the second Rs1M from 6% to 5%. Also, repayment period has been increased to 20 years to reduce amount refunded per month.

The Welfare Loan was re-defined as Multipurpose Loan with a broadened scope covering personal needs of employees and their families. The Loan ceiling was reviewed upwards from Rs 300,000 to a maximum of Rs 500,000. The Interest rate was reduced from 8% to 6.5% per annum and repayment period up to 10 years.

3.2 Tribute to late Sir Aneerood Jugnauth

2021 marks the 30th year of existence of the Employees' Welfare Fund, which was founded by late Sir Anerood Jugnauth in 1991 when he cumulated both the function of Prime Minister and Minister of Finance.

30 years elapsed since our existence and the Fund is unique, progressive and forward-looking for the welfare of employees and their families. It is the only welfare institution that embraces both employees of the Private Sector and Public Sector.

The main philosophy and objective of the Fund is to alleviate the economic and social conditions of employees and their families through **SUSTAINABLE** welfare activities.

To date, more than 400,000 employees are members of this Fund and are eligible to benefit from all the facilities offered.

3.3 Looking Ahead

To mark this 30th year of the existence of the Fund and keep up to the expectancy of its founder and all the employees of Mauritius, the Fund has to look forward, with anticipation, to the challenges and opportunities in the years to come.

We have to adapt to an environment that remains challenging and to respond in a manner that reflects our qualities and experience.

I shall reiterate that the business paradigm is being changed rapidly and the EWF is condemned to adapt to these new exigencies

3.4 Strategic Plan 2021-2024

As Chairman, my top and urgent priority remains the crafting of the roadmap of the Fund for the next 3 years, so as to respond to the rising expectation of the employees over the provision of quality welfare/well-being services and also be in line with Government Policies and Sustainable development goals (SDGS).

The Strategic Plan will reflect the new vision of the Board which will allow the Fund to adjust its priorities and activities to emerging and changing needs of members.

The Board, will ensure that, while crafting the new strategic plan, innovative, affordable and sustainable welfare projects will lead among all new projects.

The objective is to increase substantially the accessibility of the Fund to a higher percentage of members who are not benefitting from our actual activities which are limited in scope.

3.5 Corporate Governance

The Fund remains committed to maintain its regime of high standards of Corporate Governance and adhere to the 8 Corporate Governance Principles as defined by the National committee on Corporate Governance and approved by the Ministry of Financial services and Good governance

Also, in line principle 4 of the code "Directors' duties remuneration and performance", the Board Evaluation mechanism as introduced in 2016 will be revisited and implemented to evaluate and report on Board Performance.

Management can also rely on my full support to get the Fund Quality Certified at the earliest so as to provide a high standard and efficient service.

We do not know what 2021/2022 will bring, but I want to assure our stakeholders that we will be there for them – regardless of the circumstances. On behalf of the Fund, I would like to express my gratitude to our clients across the various segments we serve.

3.6 Appreciation

On behalf of the Board, I would like to thank all stakeholders for their continued loyalty and support to the Fund, especially our parent Ministry for their continuous support.

We also acknowledge the strong support of our customers and we are looking forward to achieve a better 2021 and beyond.

Last, but not least, I would like to thank all Staff and Management for their dedicated services and support and we will strive to improve further.

4.0 Acting General Manager's Report

I am pleased to submit the 26th Annual Report of the Employees Welfare Fund (EWF) for the 12 months period ended 30 June 2021 in compliance with International Public Sector Accounting Standards (IPSAS) as recommended by the Statutory Bodies (Accounts Audit) Act 1972 (amended).

I would like to seize this opportunity to thank the entire EWF's staff for their dedication and collaboration during these difficult times, especially for working with members of public with utmost care while taking all sanitary protocols thoroughly. We are also thankful to EWF Board of Directors for their collaborative approach and continued support.

5.0 Report on Performance

5.1 Financial Overview

The growth of the Fund during the financial year 2020/2021 was 4.4% as compared to 1.8% during the preceding financial year. This increase in fund value is mainly attributable to the appreciation in the fair value of investments, during the financial year, held by EWF. The net worth of the Fund as at 30 June 2021 stood at Rs2,968,671,289.

The Net Surplus for the period amounted to Rs67.7m as compared to Rs100.5m representing a fall of 32.7% which is due to a decrease in interest receivable from loan schemes, provision made for reduced fees from hotel operators and investment revenue.

	2020/2021 (Rs)	2019/2020 (restated) (Rs)	Inc/ (Dec)
Operating Surplus	58,222,064	82,235,100	(29.2)%
Net Surplus	67,714,403	100,642,632	(32.7) %
Fund Value	2,968,671,289	2,844,772,727	4.4%

5.2 Operational Performance

Two of the main objects of EWF are:

- "To give loans or financial assistance to employees or their families for such purposes as may be determined by the Board", and
- "To set up and operate schemes and projects for the welfare of employees and their families";

Therefore, much emphasis has been laid on loan schemes as well as welfare schemes and projects.

The summarized review of EWF's performance is presented below which covers the various activities undertaken by the Fund during the year 2020/2021 in line with its objectives as per EWF Act 1995.

5.3 Loan Schemes

In view of providing a wide array of financial support to all employees and their families various loans Schemes have been introduced such as the Education Loan Scheme, the SC/HSC Examination Fees Loan Scheme, the Employees Welfare Loan Scheme, the Car Loan Scheme, the Motorcycle Loan Scheme, the Loan for People with Disabilities Scheme, the Green Loan Scheme and the Medical Loan Scheme in view.

During the financial year 2020/2021, the EWF also reviewed its loan schemes so as to better respond to the needs of its members and had introduced the Multi-Purpose Loan. This new scheme was launched later, in August 2021.

5.3.1 Education Loan Scheme

The Education Loan Scheme, introduced in 1995, remains one of the main activities of the Fund. With its low interest rate and administrative cost, it is also very competitive on the market.

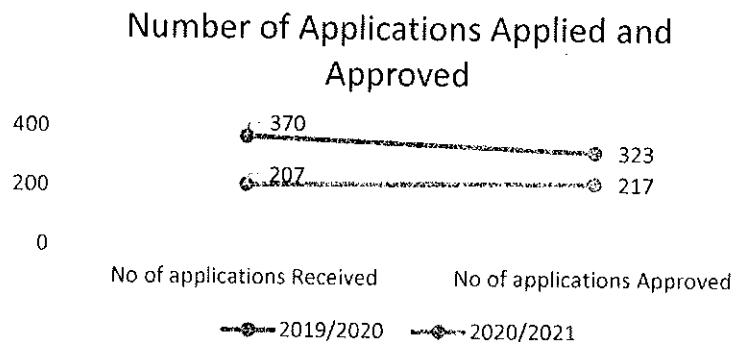
The Covid-19 pandemic had a major impact on the demand for education loan. Many students have now a preference for local institutions instead of proceeding abroad while many foreign universities are going for online courses.

Moreover, the introduction of free higher education in public Tertiary Education Institutions introduced in January 2021 has continued to impact on the demand for loan. This measure was applicable for all first certificate, a first diploma or a first undergraduate degree for both part-time or fulltime mode.

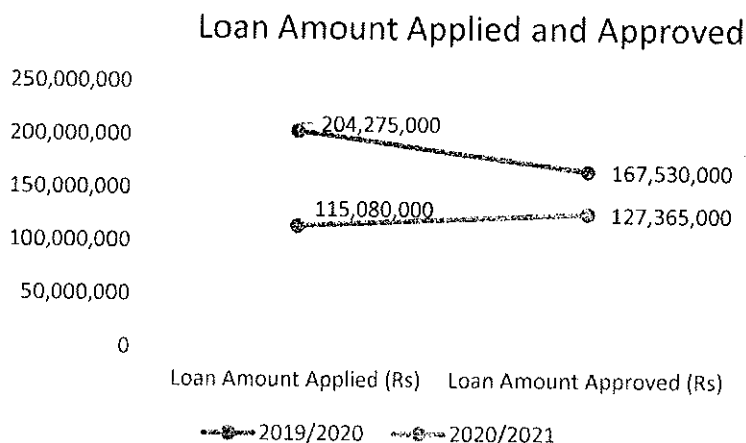
To help our members in the present difficult financial context, the interest rates for education loans have been reviewed to 4% for loans up to Rs1m and 6% for loans between Rs1m to Rs2m as from 07 July 2021.

For the period July 2020 to June 2021, 207 new applications were received while 217 was approved which also includes previously applied loans.

The chart below shows a comparison on **number of applications** applied and approved for financial year 2019/2020 and year 2020/2021.



The chart below shows a comparison on **the loan amount** applied and approved for financial year 2019/2020 and year 2020/2021.



5.3.2 SC/HSC Exam Fees Loan Scheme

Following government decision to finance examination fees of all candidates for their first attempt, this loan scheme has become less attractive. For the last financial year, we received only four applications. The amount approved and disbursed was only Rs57,507.

5.3.3 Employees Welfare Loan Scheme

The Employees Welfare Loan Scheme was introduced in 2010 to enhance the living standard and wellbeing of employees.

To be more competitive on the market, the interest rate was reviewed from 8% to 7 % in January 2020. In order to be more responsive to the requirements of its members, the EWF introduced a Multipurpose Loan which replaced the Welfare Loan. The interest rate has also been reduced 6.5% and the applications procedures and requirements have also been improved.

The table below shows the number of applications applied and approved for the period ended 30 June 2021:

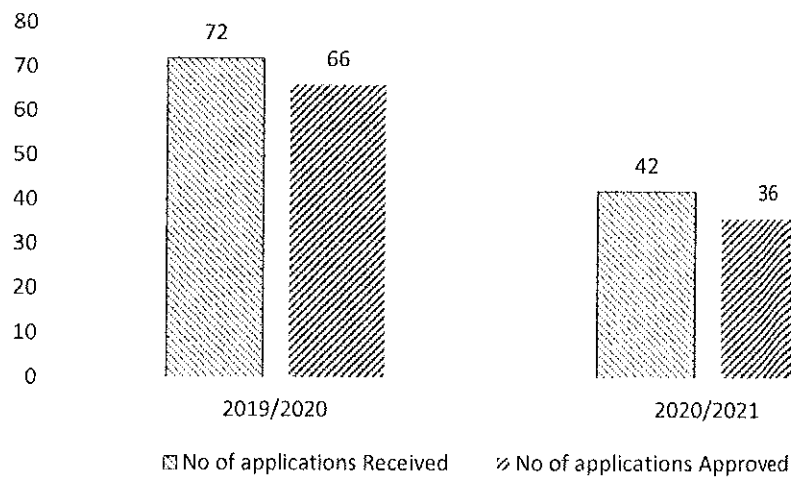
Welfare Loan Scheme		
Loans	2019/2020	2020/2021
No of applications Received	343	213
No of applications Approved	289	205
Amount Applied (Rs)	77,615,000	49,158,000
Amount Approved (Rs)	62,895,000	47,005,000
Amount Disbursed (Rs)	61,720,000	45,045,000

5.3.4 Employees Car Loan Scheme

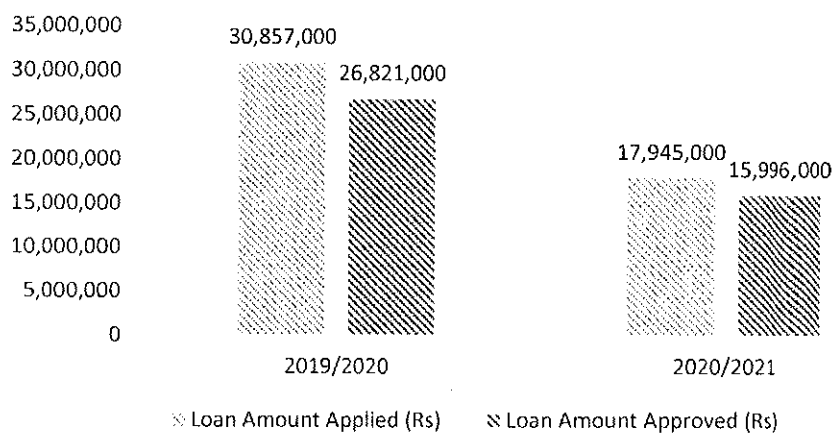
The Car Loan Scheme caters for purchase of new, reconditioned or second-hand car. The interest rate was reviewed from 8% to 7% for all car loans in January 2020.

For financial year 2020/2021, forty-two applications were received out of which only 36 were approved.

The chart below shows a comparison on number of applications applied and approved for financial year 2019/2020 and year 2020/2021.

Number of Applications Applied and Approved


The chart below shows a comparison on the loan amount applied and approved for financial year 2019/2020 and year 2020/2021.

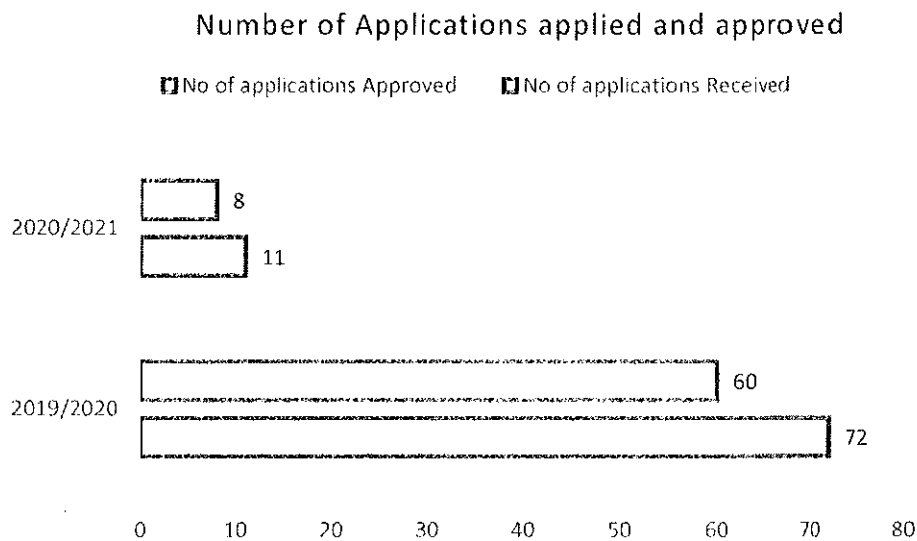
Loan Amount Applied and Approved


5.3.5 Employees Motorcycle Loan Scheme

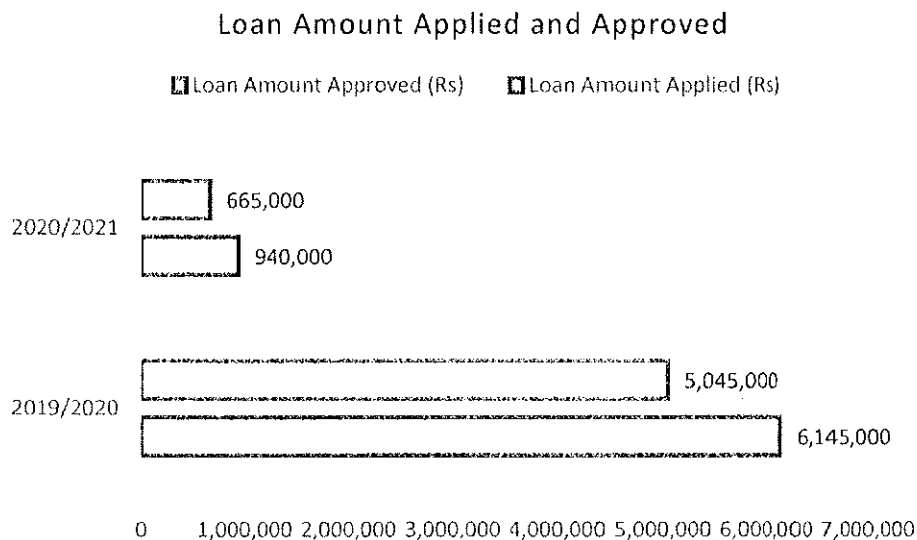
The interest rate for Motorcycle Loan Scheme was reviewed from 8 % to 7 % in January 2020 to continue to help workers to have a quick and cheap means of transport.

Following a review in the calculation of repayment capacity for Motorcycle loan in February 2020, the demand for this loan scheme has kept going down.

The chart below shows a comparison on number of applications applied and approved for financial year 2019/2020 and year 2020/2021.



The chart below shows a comparison on the loan amount applied and approved for financial year 2019/2020 and year 2020/2021.



5.3.6 Loan for People with Disabilities Scheme

The EWF Loan for People with Disabilities Scheme with an interest rate of 4 % has kept evolving through the years. Initially introduced for the employees and their families of both public and private sectors who suffer from a permanent disability for purchase of any assistive devices; renovation works in respect of their disabilities and medical expenses or studies, it was later extended for purchase of normal cars as a means of transport for the disabled person.

For period July 2020 to June 2021, we received only 4 applications while only 3 were approved.

The chart below shows the loan amount applied, approved and disbursed for period ended June 2021 compared to June 2020.

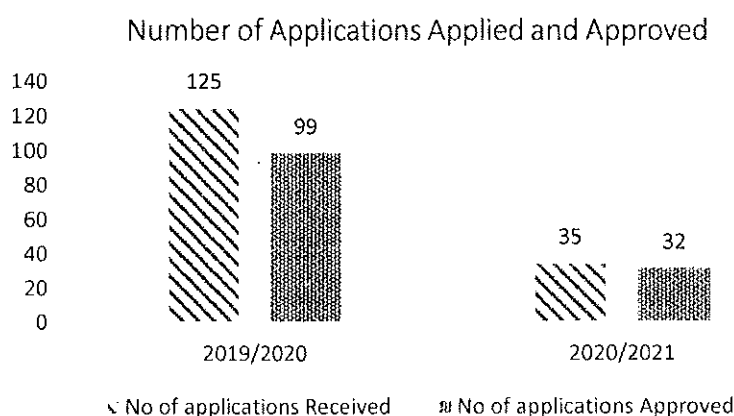
Loan for people with disabilities		
Loans	2019/2020	2020/2021
No of applications Received	12	4
No of applications Approved	14	3
Amount Applied	2,975,000	1,200,000
Amount Approved	3,355,000	900,000
Amount Disbursed	3,355,000	600,000

5.3.7 Green Loan Scheme

The green loan was introduced on the year 2017 to foster sustainable development and provide an impetus to small household projects to protect our environment.

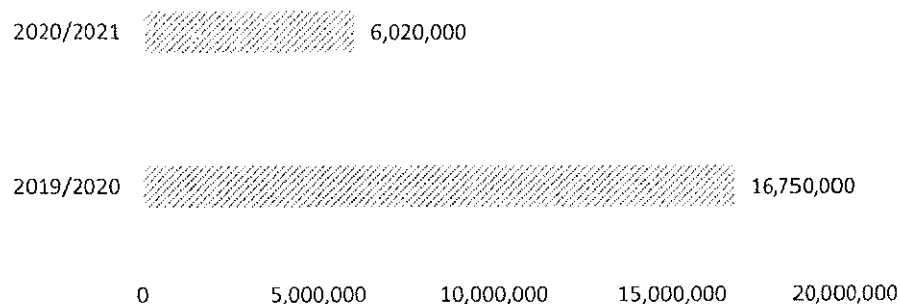
Following the review in the calculation of repayment capacity in February 2020, the demand for the green loan has fallen.

The chart below shows a comparison on number of applications applied and approved for financial year 2019/2020 and year 2020/2021.

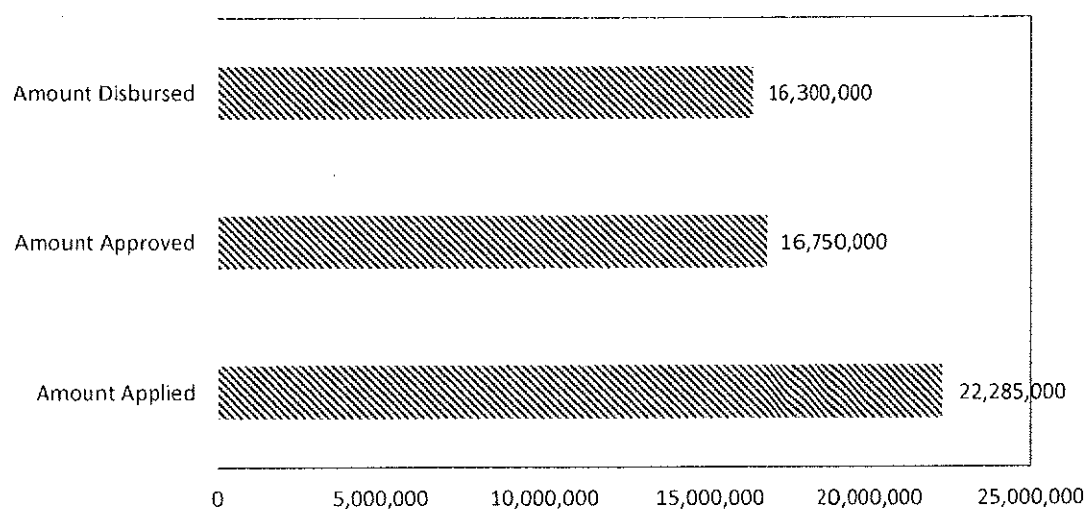


The chart below shows a comparison on the loan amount approved for financial year 2019/2020 and year 2020/2021.

Loan Amount Approved (Rs)



Green Loan



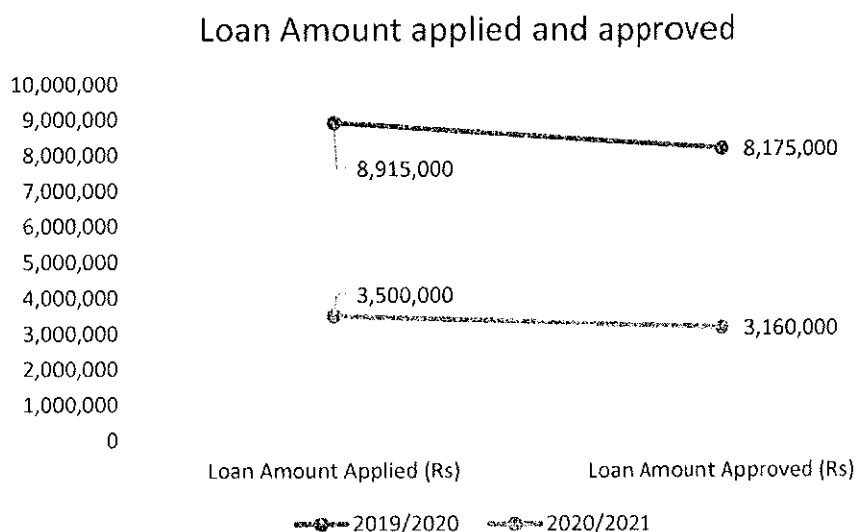
5.3.8 Medical Loan Scheme

This loan was introduced to help employees finance urgent medical intervention or treatment both locally or abroad. Employees may apply for the loan for their own treatment or for someone else.

The Covid-19 pandemic has also affected the demand for medical loan as many surgical overseas interventions had to be cancelled.

For financial year 2019/2020, we received 36 applications out of which 34 were approved while for financial year 2020/2021, we received 14 applications and 13 were approved.

The chart below shows the Loan data for the period ended 30 June 2021.



5.4 Welfare Projects

In line with its objects, the Fund has been investing much resources in identifying and implementing projects and schemes to promote the welfare of employees and their families. Welfare of citizens is embedded in the EWF Act and the Fund is constantly demonstrating its commitment to contribute to the economic development while improving the quality of life of the workforce.

Furthermore, Welfare Projects promoting recreation and health have also been implemented. The recreational parks at St. Felix and Sodnac are concrete examples of EWF's commitment to promote welfare.

5.4.1 Sealife Resort and Spa (Ex-Calodyne Sur Mer Hotel) and its hotel activity

The Sealife Resort and Spa, situated at Calodyne, owned by the Employees' Welfare Fund (EWF) started its activities in 2002 as a Village des Vacances. This concept was later changed into a hotel activity and is now a three-star hotel with 84 rooms promoting a unique holiday experience to its guests.

With the outbreak of the COVID-19 pandemic since March 2020 coupled with closure of our borders for more than 18 months, the tourism industry had witnessed an unprecedented contraction in the arrivals of tourist. Some of the hotels were opened to local clients, some were converted into quarantine centres while others simply closed down. This have had severe consequences on the Mauritian economy. Nevertheless, the government, through the wage assistance scheme (WAS) and Self-Employed Assistance Scheme, has allowed employers in the hotel sector to preserve employment in this industry.

The Sealife Resort and Spa, in a bid to contribute towards limiting the spread of the virus and at same time generating revenue, was made available to health Authorities for use as quarantine centre. Since March 2020, 34 quarantine batches were made available and more than 1350 persons were accommodated at the hotel.

Within the same hotel activity, the EWF has signed an MOU for the acquisition of the ex-Pointe Venus Hotel at Rodrigues for the benefits of its members and at the same time, as part of its investment strategies, in line with the objectives of the Fund.

To manage its hotel activities more effectively and efficiently, the EWF Board has set up a Special Purpose Vehicle. To this end, a private company limited by shares and wholly owned by EWF, namely, EWF Hospitality Ltd, was incorporated on 21 June 2021. The objectives for the setting up of the company are to:

- (i) manage through the acquisition, operation or management of such hotel business as the Board of the EWF may approve, such financial resources of the EWF as its Board may determine;
- (ii) set up schemes and projects within the hotel sector for the welfare of employees and their families.

5.4.2 Sodnac Wellness Park

Ever since its' official inauguration in November 2012, the park has become the mostly utilized green space by health-conscious Mauritians mainly from the District of Plaine Wilhems. Moreover, many NGOs, enterprises and educational institutions often make use of the park for their activities throughout the year.

There has been an increase in demand for the use of the Sodnac Wellness Park during the period 2020/2021 compared to period 2019/2020, as illustrated in table below:

PERIOD 2019/2020				PERIOD 2020/2021			
SN	Date	Institution	Activity	Event Date	Institution	Activity	Status
1	20-Aug-19	Patten College	SC Physical Education Examination	12-Sep-20	Centre for Counselling and Mindfulness	Spreading Awareness on Mindfulness	Completed
2	02-Jul-19	ABC Motors	Photoshoot for IOIG 2019 for Miss Noemie Alphonse (Mauritian Flag Bearer)	13-Sep-20	Centre for Counselling and Mindfulness	Spreading Awareness on Mindfulness	Completed
3	21-Sep-19	NGO ANPRAS	Cleaning Campaign on Park	19-Sep-20	Patten College	SC Physical Education Examination	Completed

4	21-Sep-19	I-Concept Team	Short Youtube Video on Sports Activities	09-Oct-20	Patten College	SC Physical Education Examination	Completed
5	16-Dec-19	Lycee Labourdonnais Curepipe	Orientation Race	15-Oct-20	Rotaract Club of Quatre Bornes	Planting of 50 Endemic Plants	Completed
				21-Nov-20	Advanced Knowledge Hub Ltd	Team Building/Sports Day	Completed
				17-Dec-20	Lycee Labourdonnais Curepipe	Orientation Race	Completed
				19-Dec-20	Outremer Telecom	Children's Party	Completed
				14-Jan-21	Patten College	SC Physical Education Examination	Completed

With the introduction of the outdoor gym in 2014, the park has attracted even more users and visitors.

Another main attraction for nature lovers is the garden of endemic plants which is situated at the heart of the park. And so are the jogging track and football pitch which attract users of all age groups in the morning as well as the afternoon. For safety and security reasons, 75% of the jogging track has been provided with lighting.

People are increasingly benefitting from the assemblage of sound and peaceful green environment coupled with health promoting facilities and space for family togetherness comfortably secured by the Officers of the Special Mobile Force.

It is to be noted that the maintenance of the park is done jointly by the EWF and the Special Mobile Force. Necessary gardening tools and equipment are also provided to the maintenance team as and when required.

5.4.3 St. Felix Recreational Park

This project has been implemented jointly with the Beach Authority and the District Council of Savanne. Situated at Pointe Aux Roches Public Beach, the St. Felix Recreational Park project was officially launched on 10 December 2017.

This project mainly targets the inhabitants of Chemin Grenier, Chamouny, Rivière des Galets, Surinam and other surrounding villages where no such facilities exist.

The project consists of the following components:

- A beach soccer pitch of an approximate area of 1000m²;
- A jogging track along the existing decommissioned tarred road adjoining the Council plot over a length of around 1.7 km;

- Lighting facilities along the existing jogging track;
- A “pétanque” arena of an approximate area of 150m²;
- An exercise corner with wooden exercise equipment (7 in all);
- A wooden ramp with concrete base around toilet area to facilitate access to beach by persons with disabilities and the elderly; and
- A wooden bridge with concrete base facilitating access to new jogging track from the parking area.

Representatives of the three main partners meet every two months on site to effect a visit and identify any room for improvement to the project as well as to address any problem that may exist.

5.4.4 Welfare Schemes

Moreover, the EWF also have *Welfare Scheme* offers such as the Financial Assistance Scheme (FAS) which aims at assisting employees and their families who are victims of fire occurrence and death on site of work.

Eligible applications for Financial Assistance have been entertained as per below:

FINANCIAL ASSISTANCE SCHEME Period 2019/2020				FINANCIAL ASSISTANCE SCHEME Period 2019/2020			
YEAR	DESCRIPTION		Rs.	YEAR	DESCRIPTION		Rs.
	FIRE VICTIMS	DEATH ON SITE			FIRE VICTIMS	DEATH ON SITE	
July 2019- June 2020	7	1	<u>200,000.00</u>	July 2020- June 2021	1	6	<u>175,000.00</u>

5.4.5 Welfare Activity – Blood Donation

In view of addressing the shortage of blood availability at the blood bank, the EWF, as the main Public Organization in the provision of services promoting welfare of employees and their families, organized its fourth blood donation activity on 25 September 2020. 232 volunteers expressed their wish to donate out of which 181 pints of blood were successfully collected compared to year 2019 where we collected 143 pints of blood.

5.4.6 PR Activities and Awareness Campaigns

The EWF PR Team could not participate in any PR or Awareness activities.

As part of its awareness campaign, the Fund sponsored some advertisements in magazines and campaigns as follows:

- QEC Commemorative magazine
- Police Magazine 2020
- UPSEE Annual Newsletter

EWF is also present on the social media circles with a total of 3,401 followers on its Facebook Page compared to 2,587 followers during the year 2020.

5.5 HR Issues

5.5.1 Importance of our Human Capital

The year 2020-2021 has been particularly an unusual year as compared to previous years. We have faced difficult situations due to the pandemic which has caused an impact on our lives at work as well as at home.

Navigating through the COVID-19 pandemic and its aftermath shall be one of the biggest challenges of our time. However, we strongly believe that our greatest asset remains our human capital and more so when we know that happy employees make happy clients. Indeed, team members employ their skills and resources, daily, to help us reach our goals. Retaining these skilled employees is therefore just as important as finding them.

5.5.2 Performance Management System

EWF has put in place the Performance Management as a strategic management approach to help its employees to attain efficiency and effectiveness. It has set the methodologies, metrics, processes and systems which are used for monitoring and managing the performance of its people.

The Performance Management System is reviewed on a regularly basis in order to adapt it to the organization requirements, and to make it become a more user-friendly tool. KPIs are used to observe the progress and measure actual results as compared to expected results. It also provides a clear and concise “roadmap to success” for the organization in view of achieving customer satisfaction. In addition, it provides the foundation for Employee Goal-Setting, Performance Reviews and for continuous improvement and learning.

5.5.3 Well-Being of employees

The Employee's Welfare Fund, under its “Staff Welfare”, caters for the well-being of its working force by providing welfare activities throughout the year 2020-2021. This has helped to improve the team building of our team and contributing to high employee morale.

The Objectives of the EWF's Staff Welfare are to:

- (i) To enhance the level of morale of employees and create a loyal, contented workforce in organization.
- (ii) To develop a better image of the company in the minds of the employees.

- (iii) To develop efficiency of the workers and positive attitude towards job, company and management.
- (iv) To expose philanthropic and benevolent activities of the company.
- (v) To make the workers know that the company takes care of them.
- (vi) To develop a feeling of satisfaction of employees with the company.
- (vii) To develop a sense of belonging to the company.
- (viii) To retain skilled and talented workers.
- (ix) To develop better human relation.

The EWF also believes in the richness of our Mauritian culture and importance of sharing the cultural values among the staff. In this connection different cultural activities have been celebrated among the staff as follows:

SN	PERIOD	CELEBRATION EVENT
1	All Month Round	Birthday Gifts to Staff Members
2	Feb-21	Mauritian Traditional Breakfast
3	Feb-21	Chinese Spring Festival
4	Feb-21	Farewell/Retirement of Mrs. Lam (Administrative Assistant)
5	Dec-20	Xmas Token to all staff Members
6	Dec-20	Xmas Celebration at Office + Gifts to Kids of Staff Members
7	Dec-20	EWF EOY Get Together
8	Nov-20	Diwali Celebration
9	Oct-20	Mauritian Traditional Breakfast
10	Oct-20	World Smile Day - Milkshake Party
11	Jul-20	World Friendship Day

Unfortunately, due to the COVID-19, many activities had to be cancelled.

The staff of the EWF were also called to participate in different charity activities. Raising money for a charity in the office has not only helps us to benefit a good cause, but it has also brought together our team and boost morale, creating a positive working environment.

The staff have generously contributed in kind for the following's charitable activities during the year 2020-2021:

SN	PERIOD	DONATION IN KIND TO
1	Mar-21	Caritas Mauritius
2	Aug-20	NGOs ECO Sud and Moka Mwad Sov Nu Lagon (icw Wakashio - Oil Spill)

5.5.4 Health and Safety

A safe working environment is essential and also a legal requirement for many businesses. With the outbreak of the Covid-19, more consideration for the health of our employees, new strategies and safety precautions to help the EWF in protecting its employees and customers were taken. The EWF has followed the instructions of its Parent Ministry and circulars from government for a safe working environment as well as have stayed guided by recommendations received from the health authorities in as far as maintaining sanitary precautions are concerned.

Furthermore, to continue with its mission to bring a healthy and safe culture within the organization, the EWF renewed the contract of the Health and Safety Consultant in 2020-2021, who has been putting his expertise and experience to the benefits of the organization.

The Health and Safety Committee, comprising of the representatives of the Management and of employees supported by the Consultant, has met on a regular basis and has been used as a platform for discussion and implementation of good health and safety practices in order to maintain a very conducive and safe working environment.

The Health and Safety Committee met 5 times for the period 2020-2021 as follows:

SN	YEAR	MEETINGS
1	2020	JULY
2		SEPTEMBER
3		DECEMBER
4	2021	FEBRUARY
5		MAY

During the above-mentioned meetings, emphasis was laid on some major items which was successfully implemented/resolved during the financial year ending July 2021, as follows:

- Sanitary Measures in connection to COVID-19
- Defective lighting and Electrical issues resolved
- Purchase of new cups and saucers for all staff members
- Fire Drill

6.0 In-House Loan Cover Scheme

The In-house Loan Cover Scheme (formerly known as In-House Death Cover) was introduced in September 2005 whereby the loan balances due by borrowers are being set off in case of the death of either the applicant during the period of refund or the beneficiary during the period of study. The maximum coverage is Rs 1M per applicant.

In 2015, the scheme which was initially introduced only for education loan had been extended to the Welfare, Car and Motorcycle Loan Schemes

Since 2016 the scheme also covers applicants who become permanently disabled and has been renamed the In-House Loan Cover Scheme. The Scheme was later amended in October 2017 to cover a maximum of Rs2 million only per household.

The amount collected during 2020/2021 was Rs 3,957,967 and loans totaling Rs 3,847,812 have been set off. The In-house loan cover balance as at 30 June 2021 stood at Rs73,047,953.

The table below illustrates the In-house Loan Cover for the year ended June 2021.

	2020/21
Total No. of Clients	13,332
Premium Collected (Loan Schemes)	Rs3,957,967
Premium Collected (Staff Loan)	1,500
Amount Written-off	Rs3,847,812
Insurance Fund Value	Rs73,047,953

6.1 Refund of Contributions

The EWF continues to entertain applications from retired employees and makes arrangements for the refund of their contribution. As per the EWF Act 1995, full contributions made by employees who retired from July 1991 to June 1994, should be refunded to them. However, there was no such claim in the year 2020/2021.

6.2 Investment Strategy

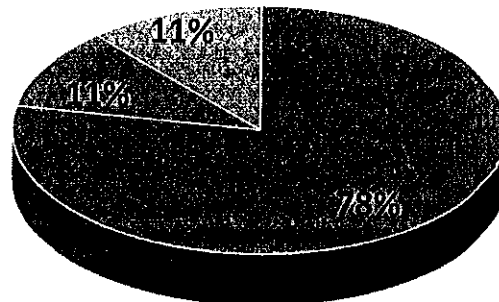
In line with the first objective of the Fund, that is,

“To manage the financial and other resources of the Fund.”,

Prudent investment strategies have been adopted so as to strike a fair balance between risk and return. Around 78% of the investment was allocated to the different loan schemes during the year and the rest of 22% were as follows: -

- 11% Local Equity Markets
- 11% Foreign Investments

Investment Structure 2020/21



■ Loan Schemes ■ Shares ■ Foreign Investments

6.3 Comparative Investment Structure

Investment Structure	2019/2020		2020/2021	
	Rs	%	Rs	%
Loan Schemes	1,685,618,738	80%	1,435,679,419	78%
Shares and Treasury Bills	241,902,707	12%	195,439,287	11%
Foreign Investments	162,964,153	8%	211,313,052	11%
	2,090,485,600		1,842,431,758	

6.4 Return on Investments

As a result of the investment policy undertaken, the return on investments during the year under review amounted to Rs93.5 million as shown in the table below:

Instruments	2020/2021
Loan Schemes	91,081,283
Equity on Local and Foreign Market	2,493,119
Bank Deposit	1766
Total	93,576,168

7.0 Financial Highlights

7.1 Loan Schemes

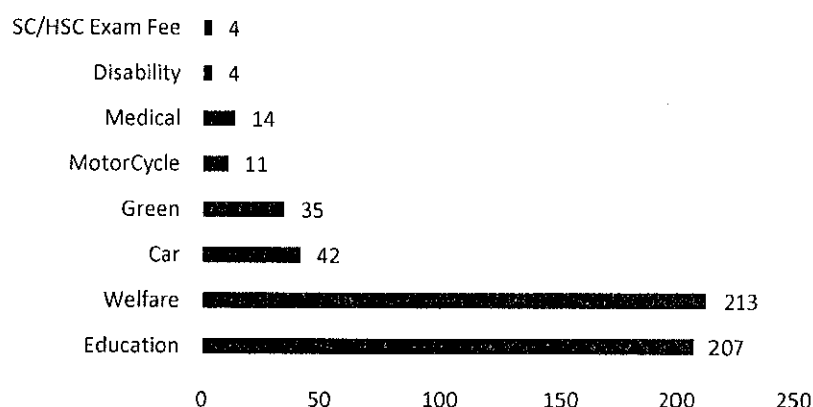
Comparative Analysis of the number of applications received and amount of loans approved and disbursed for the year 2020/2021 were as follows:

All Loans

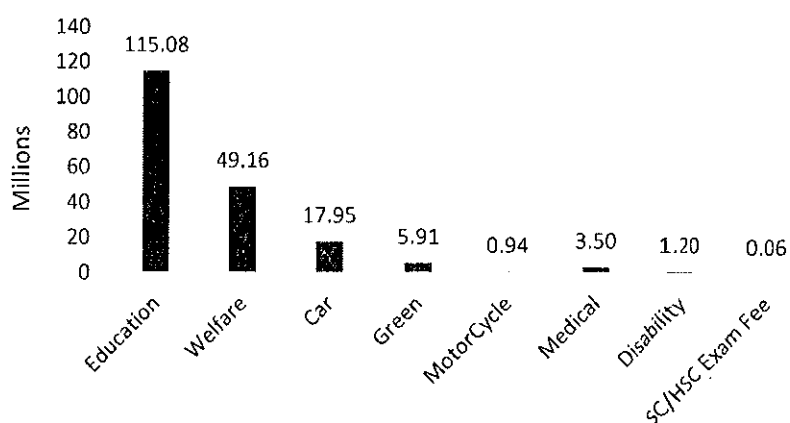
Loans	2019/2020	2020/2021
No. of Applications Received	1032	520
No. of Applications Approved	886	333
Amount Approved (Rs)	290,582,122	201,168,507
Amount Disbursed (Rs)	321,477,122	198,084,507
Amount Repaid (Rs)	79,857,616	446,585,134
Net Disinvestment (Rs)	158,380,494	248,500,627

Loans for the year 2020/2021

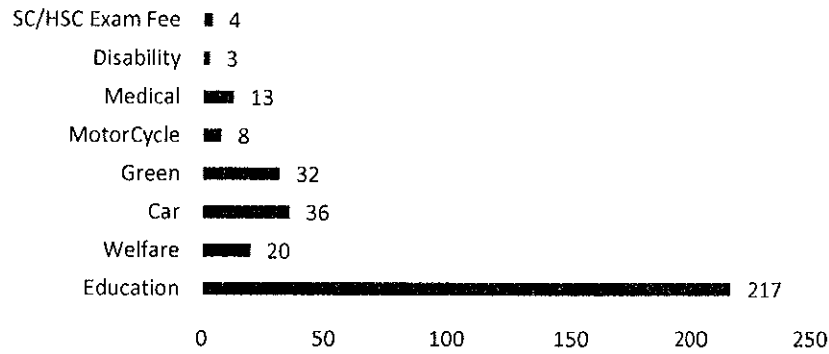
No of applications Received



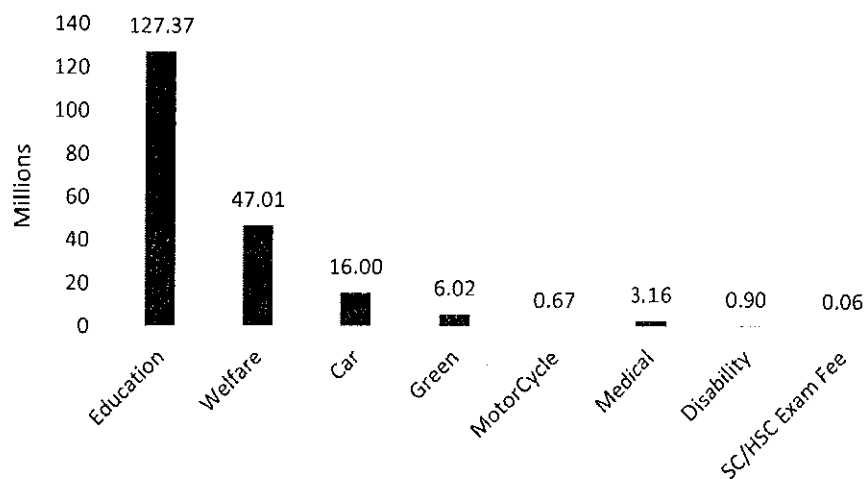
Amount Applied - 2020/2021



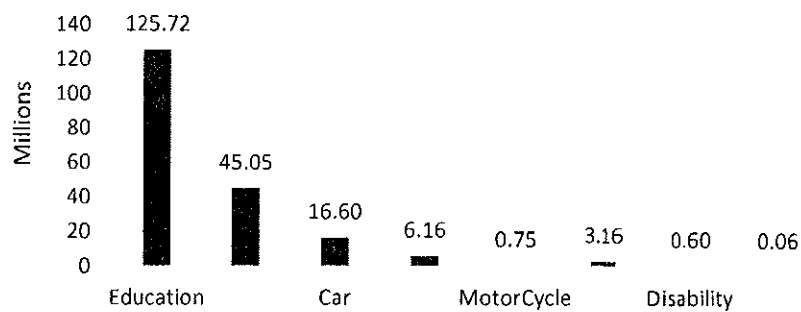
No of applications Approved for the year 2020/2021



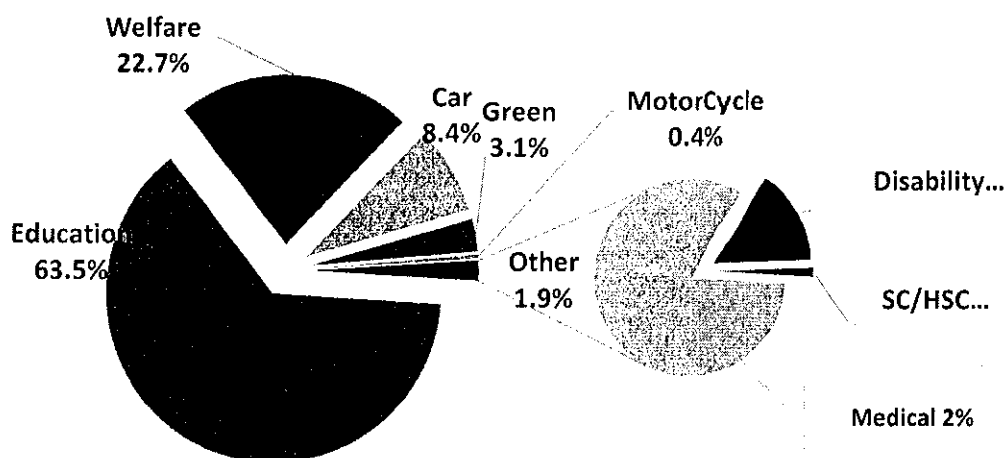
Amount Approved for the year 2020/2021



Amount Disbursed for the year 2020/2021

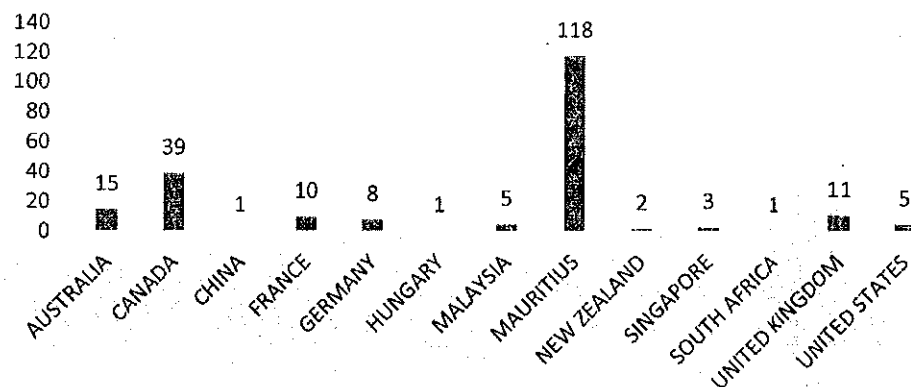


Amount Disbursed - 2020/2021



7.2 Analysis of the Field of Study and Countries with respect to Education Loans granted.

Number of Applications disbursed countrywise

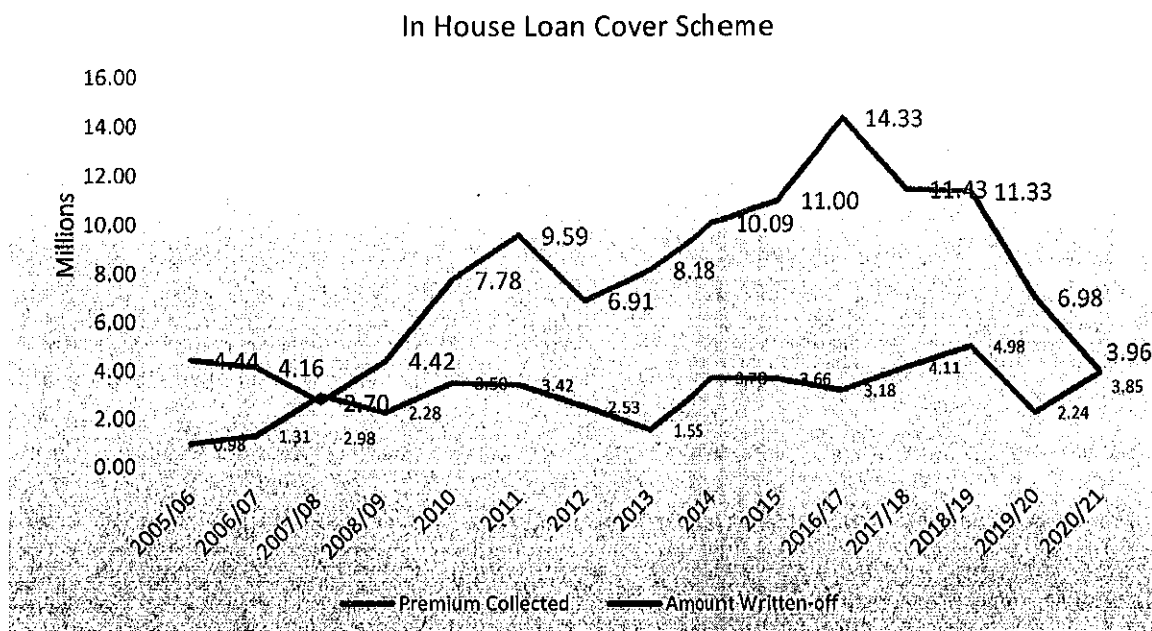


Field of Study and Countries for the year 2020/2021

COUNTRY FIELD OF STUDY	Accounting, Banking & Finance	Business, Management, Admin & Commerce	Civil, Electrical, Mechanical, Aircraft & Chemical	IT, IS, Computer Science, Business IT, Programming & Networking	Law	Marketing, Commu nication, Advertising & graphic Design	Medical and Nursing	Others	Tourism , Hospitality and Hotel & Event Mgt	Grand Total
AUSTRALIA	1	2	1	1		3		7		15
CANADA	3	6	3	8	1	1	1	15	1	39
CHINA								1		1
FRANCE					1		2	7		10
GERMANY		1	2	1				4		8
HUNGARY							1			1
MALAYSIA	1		1	1	2					5
MAURITIUS	7	23	4	10	15	9	11	32	7	118
NEW ZEALAND				1	1					2
SINGAPORE	2					1				3
SOUTH AFRICA								1		1
UNITED KINGDOM	1	1		1	2			6		11
UNITED STATES	1				1			3		5
(blank)										
Grand Total	16	33	11	23	23	14	15	76	8	219

7.3 In-house Death Cover Scheme

Trend in the In-house Death Cover Scheme since its introduction



7.4 Investments

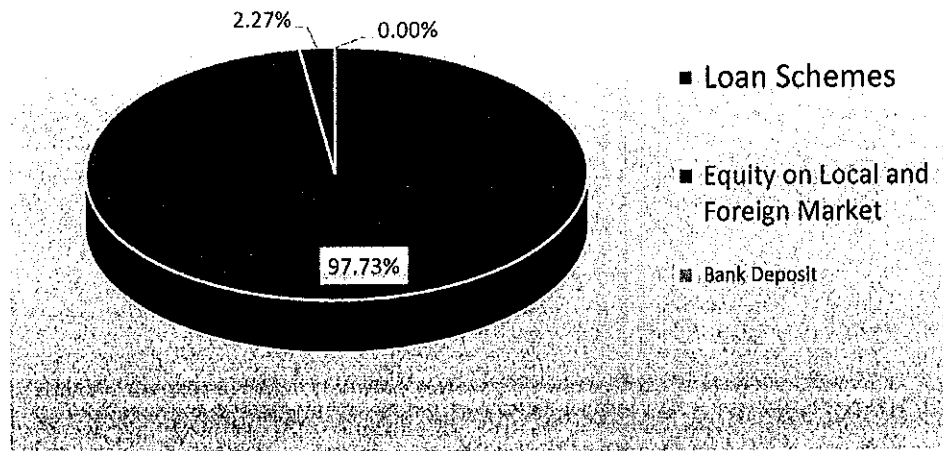
Investments made were as follows:

Investment Structure	2020/21	
	Rs	%
Loan Schemes	1,435,679,419	78%
Shares	195,439,287	11%
Foreign Investments	211,313,052	11%
Total	1,842,431,758	

7.5 Return on Investments

Instruments	2020/21 (IPSAS)
Loan Schemes	91,081,283
Equity on Local and Foreign Market	2,493,119
Bank Deposit	1766
Total	93,576,168

Return per Instruments for year 2020/21



7.6 Surplus & Net Worth

	IPSAS					
	2015	2016/2017	2017/2018	2018/2019	2019/2020 (Restated)	2020/2021
Net Surplus (Rs)	70,542,026	124,389,979	63,022,825	78,912,683	100,542,632	70,243,742
Fund Value (Rs)	2,481,169,943	2,657,651,363	2,739,263,326	2,794,294,300	2,844,772,727	2,971,200,628

8.0 Strategic Direction of the Fund

EWF is looking forward to formulate its forthcoming corporate plan for the next three years. Consultations and working sessions are ongoing in view of developing the new Corporate Plan which will define EWF's strategies for the future in line with its corporate objectives which is mainly the promotion of welfare to employees and their families and ensuring a continuous growth of the Fund.

Meanwhile, EWF has continued in its endeavour to serve its members by continuously investing its resources in the ongoing loan schemes and welfare projects.

Bearing in mind that the different loan schemes available at the Fund have been of immense help to its members, these schemes have ongoingly been reviewed so as to increase its reach for employees and their families.

As part of its main strategies for the upcoming 3 years (pending formulation of Fund's Corporate Plan), the EWF will continue to:

1. provide preferential loan schemes as per object 4 (c) of the EWF's Act 1995. The Education Loan has been the main Loan Scheme and the scope has been broadened to include funding of seminars, capacity building workshops, technical and vocational courses and certificate award courses. Terms and conditions, eligibility criteria, repayment periods and loan amounts have all been reviewed to better serve members of the Fund. The scope for personal needs has also been widened with the replacement of the Welfare Loan by the new Multi-Purpose Loan.
2. promote its welfare investment in projects and schemes to enhance the welfare of employees and their families. Welfare of citizens is embedded in the EWF Act and the Fund is constantly demonstrating its commitment to contribute to the economic development while improving the quality of life of the workforce.
3. Invest and upgrade in the Sodnac Wellness Park Project, the St. Felix Recreational Park and the Hotel at Calodyne now known as Sealife Resort & Spa.
4. to provide hotel services to its members. With similar objectives in mind as the Calodyne Hotel, as a strategic move, EWF is endeavouring to acquire the Ex-Pointe Venus Hotel in Rodrigues so as to provide affordable hotel facilities as recreation to Mauritian employees visiting Rodrigues. As part of its strategy, EWF has set up a Special Purpose Vehicle,

namely the EWF Hospitality Ltd. in view of allowing this new entity to take over and run all hotel projects separately.

The strategic directions of the EWF will be more fully defined in its next corporate plan where the objectives will be to:

- a) Reposition the EWF as a financial institution contributing to the Mauritian Economy.
- b) Redefine the welfare mandate of EWF in light of the evolving Mauritian Economy, and the new labour force generation.
- c) Ensure the Fund's resilience, that is, EWF is fit for purpose, and can deliver in situation of crisis.
- d) Enhance good governance at the level of the Fund, and ensure alignment with the guidelines prescribed by the National Code of Corporate Governance.
- e) Institute close collaboration with the Parent Ministry in view of working towards Government actions whilst maintaining the Fund's autonomy.
- f) Ensure the financial sustainability of EWF.

9.0 Corporate Governance Report

9.1 Compliance

Throughout the year ended June 2021, to the best of the Board's knowledge, and as far as applicable, the EWF has complied with the 8 Principles as set in the National Code of Corporate Governance 2016 (Section: Guidance for Statutory Bodies).

9.2 Principle I: Governance Structure

According to Section 5 of the EWF Act 1995, the Fund is administered and managed by a Board. In line with the tripartite philosophy, it consists of:

- A Chairperson appointed by the Minister after consultation with representatives of employers and employees;
- 3 representatives of Government
- 3 representatives of Employees appointed by the Minister after consultation with the trade unions; and
- 3 representatives of Employers appointed by the Minister after consultation with Business Mauritius

As stipulated in the EWF Act 1995, the Board meets at least once a month. Special Board Meetings are also held to discuss strategic matters linked to the management of the Fund or in relation to specific issues.

Moreover, the EWF is committed to implement the best practices in Corporate Governance with the ultimate objective to fully adhere to the recommendations and principles contained in the National Code of Corporate Governance for Mauritius. It complies strictly with the requirements of the Finance and Audit Act, EWF Act and has also to abide by the following laws of Mauritius:

- The Statutory Bodies (Accounts & Audit) Act 1972 as amended;
- The Financial Reporting Act 2004 as amended;
- The Data Protection Act 2017;
- The Mauritius Credit Information Bureau (which operated under Section 52 the Bank of Mauritius Act 2004);
- Financial Services Commission Regulations and
- The Borrower Protection Act as amended.

9.2.1 Board Charter

The Board Charter has been approved by the Board whereby the roles and responsibilities of the Chairperson, the Board Members, the General Manager and the

Board Secretary are spelt out. The role of the Chairperson is to lead the Board and that of the General Manager is to manage the organisation on a day-to-day basis.

9.2.2 Obligations of the Board

According to the EWF Act 1995, the Board has the power to do all such things that are advantageous for the objects of the Fund. It has the power to delegate, manage, direct and supervise the affairs of the Fund.

The Board is the focal point of the Corporate Governance system, and is ultimately accountable and responsible for the performance and affairs of the organisation.

The Board's responsibility is to provide effective corporate governance. This involves a set of relationships between the Board, the Management and the relevant stakeholders in a manner whereby the Board shall:

- Determine EWF's purpose, strategy and values;
- Exercise leadership, enterprise, intellectual honesty, integrity and judgment in directing the organisation so as to achieve sustainable prosperity;
- Determine a policy for the frequency, purpose, conduct and duration of its meetings and those of its formally established Committees;
- Collectively ensure that it has unrestricted access to all the organisation information, records, documents and property. These information needs should be well-defined and regularly monitored;
- Ensure that proper risk management, and identification and monitoring of key risk and key performance areas, including non-financial aspects is done and
- Be accountable for the performance and affairs of the organisation.

9.2.3 Role of Board Chairperson

The main functions of the Chairperson are:

- To fix the date of Board meetings, approve the Agenda of the meetings and vet and approve Board Minutes for circulation;
- To run the Board and set its agenda, which should be forward looking and based on strategic matters;
- To ensure that Board Members receive accurate, timely and clear information;
- To ensure effective communication;
- To make sure enough time is allowed for discussion of complex or contentious issues; and
- To take the lead, using the Board Secretary as facilitator, in providing suitable induction for new Members and in identifying and meeting the development needs of individual members.

9.2.4 Role of General Manager

The General Manager is responsible for leadership of the business and managing it within the authorities delegated by the Board. His role is to develop an organisational structure and establish processes and systems to ensure the efficient organisation of resources.

All operational issues are assessed by the General Manager who is responsible for the day to day running of the organisation.

9.2.5 Role of Board Secretary

The Board Secretary assists the Board. All Board Members may seek the advice of the Board Secretary or use her services.

The Board Secretary: -

- is the focal point between the Board and the Management;
- plans meetings and agendas in consultation with the Chairperson and General Manager;
- gives impartial advice and support to the Board whenever required
- prepares and circulate Board papers;
- records the minutes of all Board meetings making sure that all actions are duly noted;
- drafts concise and accurate Board minutes to be sent to the Chairperson for vetting within 5 working days as from the day of the Board meeting;
- records all policies approved by the Board in the Fund's Policy Manual;
- maintains and monitor calendar of important dates for the Fund;
- maintains and monitor calendar of meetings for the year and
- ensures that follow up actions are done based on decision taken by the Board.

9.2.6 Code of Ethics

The Code of Ethics, launched in December 2016, outlined the ethical principles that govern decisions and behavior of the organisation. The EWF commits itself to maintain in all its activities the highest standard of competence, integrity and ethical behavior thereby ensuring that the reputation of the organisation is beyond reproach.

The Ethics Policies and Procedures were introduced at the beginning of 2017 to support the Code of Ethics and to commit the organisation to the highest standards of ethical conduct. The Policies and Procedures provide guidelines to the Board

Members and Employees to do the right thing and behave at high standard at all times. They also guide employees towards what is acceptable in the workplace.

The Policies and Procedures were discussed and approved during a workshop with the Board Members and were disclosed to the staff thereafter. In January 2019, the Code of Ethics was slightly amended by the Board.

9.2.7 The Ethics Policies and Procedures covered the following sensible areas: -

- Disclosure of confidential or Organisation sensitive information
- Gambling
- Business Gifts & Entertainment Policy
- Conflict of Interests
- Whistle Blowing

A Conflicts of Interest Register is kept by the Board Secretary. Any conflict of interest which is declared by the Employees and/or Board Members is recorded in the Register.

9.2.8 Meetings of the Board and Conduct of Meetings

The Board Meetings are a fundamental component of governance processes. Each Board meeting is critical as it is the main opportunity to fulfil its functions and responsibilities.

According to the Fund's Act, the Board shall meet at least once monthly at such time and place as the Chairperson may consider appropriate. The quorum shall be 5 Members including at least one representative each from the Government, Employers and Employees.

In addition, the Board meets whenever necessary between scheduled meetings to discuss urgent issues arising.

9.2.9 Board Meetings

The Chairperson and the General Manager, in collaboration with the Board Secretary, agree on the Board Meeting Agenda to ensure adequate coverage of key issues during the year. Board papers are uploaded on the Dropbox so that the Members may accede to the documents on their tablets.

Board Members are expected to attend each Board meeting and every meeting of the Committees of which they are Members of, unless there are exceptional circumstances that prevent them from doing so.

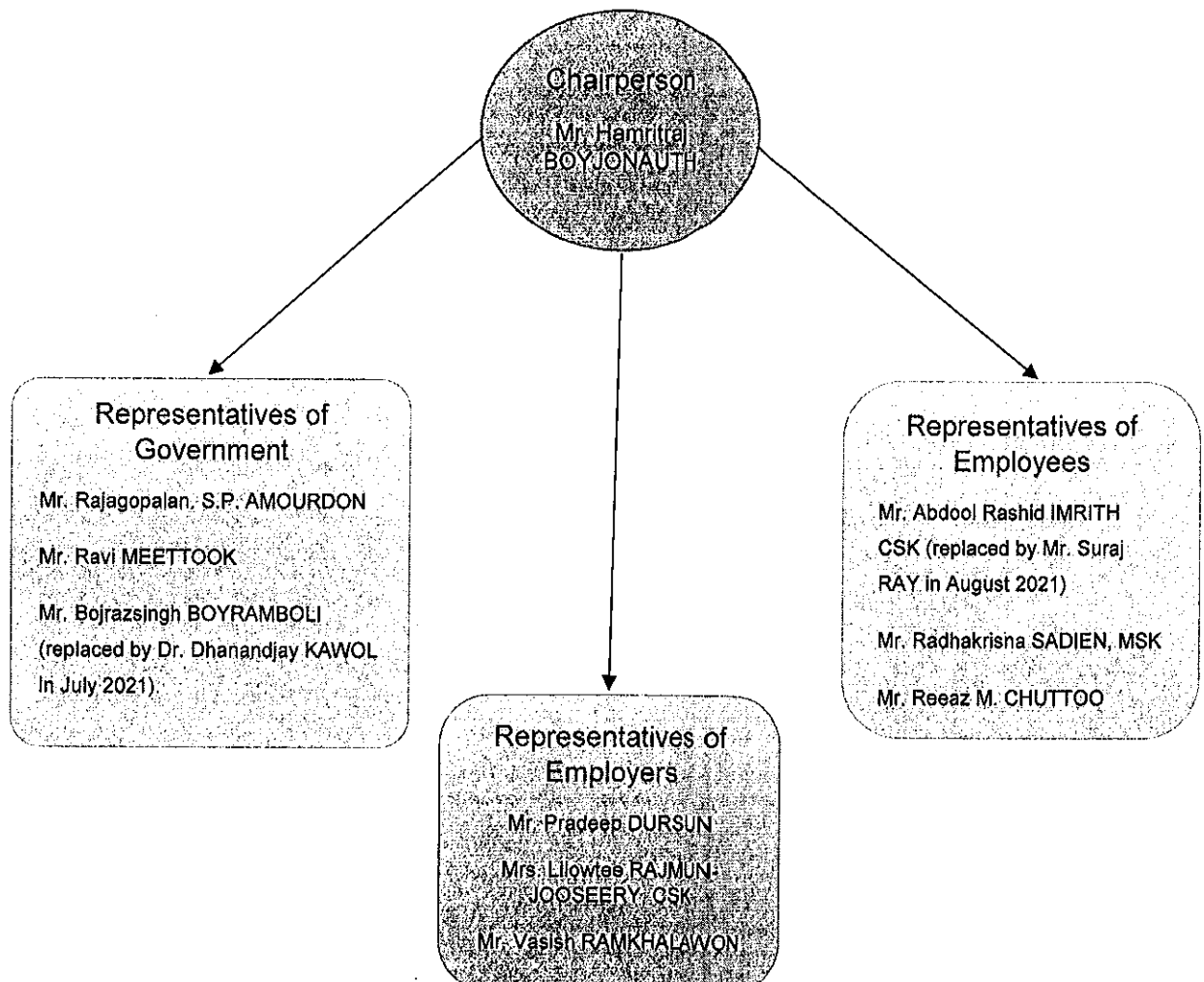
The methods through which the Board exercises its powers and discharges its responsibilities are set out in the Terms of Reference and the EWF Act 1995 governing the Fund which provides, amongst others, for the following:

- the requirement that the Chairperson of the Board must be appointed by the Minister;
- the creation of Committees; a corporate code of conduct addressing, inter alia, issues relating to conflicts of interests; the establishment of strategic objectives; the existence of clear lines of responsibility and accountability throughout the Fund;
- Board performance evaluation; and the timely communication of the financial results and position to the Minister.

9.3 Principle 2: The Structure of the Board and its Committees

9.3.1 Board Composition

For the year ended 30 June 2021, the Chairperson of the Board was Mr. Hamritraj BOYJONAUTH and the Members were:



It is to be noted that, in December 2020, the Board was reconstituted, and, in January 2021, Board Committees were reconstituted.

9.3.2 Members' Profile

Mr. Hamritraj BOYJONAUTH (Atish)

Mr. H. Boyjonauth has a career spanning over 12 years in the Construction Industry. He has also been appointed as Advisor to the Hon. Minister of Local Government, Rodrigues, National Development Unit, and also Advisor to the Hon. Minister of Housing and Lands, Small & Medium Enterprise, Handicraft & Informal Sector from February 2002 to April 2005. Over the years, Mr. H. Boyjonauth has acquired extensive skills and experience with regards to project coordination and project consultancy. Mr. Boyjonauth was appointed in the first instance as the EWF Board Chairperson in November 2012).

Mr. Dineshrao BABAJEE (Chairperson from April 2015 to 07 July 2020)

Mr. D. Babajee has been appointed as Chairperson of the Fund in April 2015. He worked as medical representative from July 2001 to December 2015 in several firms such as the FTM Ltd, Unicorn Trading, Aventis Laboratory and Sanofi Aventis. He has been appointed as the General Manager of Rose Belle Sugar Estate with effect from January 2016.

Mr. Rajagopalan. S.P. AMOURDON

Mr. R.S.P. Amourdon is presently Deputy Permanent Secretary (DPS) at the Ministry of Finance, Economic Planning and Development. He was previously DPS at the Ministry of Foreign Affairs, Regional Integration and International Trade. He was confirmed in the Public Service in 1985. Mr. R.S.P Amourdon holds a postgraduate in applied economics with specialisation in Banking and Finance.

Mr. Bojrazsingh BOYRAMBOLI

Mr. B. Boyramboli is the Secretary for Public Service. Before his nomination as Secretary for Public Service, he was Permanent Secretary at the Ministry of Social Security, National Solidarity and Reform Institutions. He holds a Diploma in Public Administration & Management (D.P.A.M.). He started his career in the public service in the late 1970's.

Mr. Ravi MEETTOOK

Mr. R. Meettook is presently Senior Chief Executive at the Ministry of Education, Tertiary Education, Science and Technology. He has represented the Ministry on different statutory

Boards and Committees. Mr. Meettook had been at the Ministry of Industry for 16 years and worked at the treasury from 1980-1986.

Mr. Darmalingum DAVASGAIUM (05 June 2020-02 December 2021)

Mr. D. Davasgaium is currently Assistant Permanent Secretary at the Ministry of Finance, Economic Planning and Development.

Mr. Ashis Kumar HOOLASS (16 January 2020 till 22 December 2020)

Mr. A. Hoolass was assigned duties of Permanent Secretary in substantive capacity since April 2012. He served as Permanent Secretary at various Ministries such as Ministry of Civil Service and Administrative Reforms, Ministry of Social Security, National Solidarity and Reform Institutions and Ministry of Environment, Sustainable Development and Disaster and Beach Management among others.

Mr. Pradeep DURSUN

Mr. P. Dursun is the Chief Operating Officer of Business Mauritius since November 2015. He has a multidisciplinary background having studied social sciences, law, human resource management and industrial relations. He is involved in the promotion of social dialogue with social partners on the world of work issues. In addition, he is also engaged in policy making and advocacy

Mrs. Lilowtee RAJMUN JOOSEERY, CSK

Mrs. L. Rajmun-Jooseery is a well-known figure in corporate Mauritius. She is the director of the Mauritius Exports Association (MEXA), one of the largest associations regrouping exporting firms of the island. As the head of the MEXA, Mrs. Rajmun-Jooseery has participated in the formulation of numerous policies in the interest of the export community of Mauritius. The President of the Republic has elevated her to the rank of Commander of the order of the Star and Key of Indian Ocean (CSK) in 2021.

Mr. Vasish RAMKHALAWON

Mr. V. Ramkhalawon is the Secretary General of the Insurers Association of Mauritius and is a Member of the Financial Services Consultative Council. In the past, Vasish has served as a UNDP National Consultant for Mauritius, as the World Bank Country Officer for Mauritius and Seychelles and as Lead Consultant, Senior Manager and Director of various key institutions with international experience and exposure.

Mr. Christopher PARK (24 August 2018- 02 December 2020)

Mr. C. Park joined the Terra Group of Companies as Group HR Manager since December 2013. He has been working in the HR Field for more than 12 years, and previously held the

position of Manager-Human Resources at Enterprise Information Solutions Ltd. and Manager-Human Resource at Rogers & Co. Ltd.

Mrs. Christine ROUILLARD (24 August 2018- 02 December 2020)

Mrs. C. Rouillard joined the Systems Building Contracting Ltd since August 1995 as Administrative and Finance Director. She is Managing Director of the organisation since April 2012. From 1993-1995, she was employed as Property Officer at the Rogers and Company Ltd.

Mr. Reeaz CHUTTOO

Mr. R. Chuttoo has 36 years of experience as Trade Unionist and is the President of the Confederation des Travailleurs des Secteurs Publique et Privé (CTSP). He has been conducting Collective Bargaining in all the sectors of the economy in the Private Sector with special emphasis on social protection. He forms part of the Trade Union team which proposed the introduction of a Portable Severance Allowance Fund.

Mr. Abdool Rashid IMRITH, CSK

Mr. A.R Imrith has been President of the Government General Service Union (GGSU) since 1986. He has an extensive experience as Employees Representatives on different Boards including the Fund. The President of the Republic has elevated him to the rank of Commander of the order of the Star and Key of Indian Ocean (CSK) in 2019.

Mr. Radhakrisna SADIEN, MSK

Mr. R. Sadien has served the Government Services Employees Association in various capacities since 1982. He has also served as Board Member in various organisations such as the NPCC, HRDC, NATRESA and IVTB among others and has also been Chairperson of the National Economic and Social Council. The President of the Republic has elevated him to the rank of Member of the order of the Star and Key of Indian Ocean (MSK).

Mr. Gyananand JADUNUNDUN (24 August 2018- 02 December 2020)

Mr. G. Jadunundun is posted as Senior Test Chemist at the Mauritius Cane Industry Authority. He is also the Deputy General Secretary at the Federation of Civil Service and Other Unions (FCSOU). He has an extensive experience of 40 years as trade unionist.

9.3.3 The Executive Management's profile

The Fund is set up by an Act of Parliament and managed by the Board as above. It is established outside the Central Government and is involved in commercial, economic, service oriented social activities requiring a large degree of autonomy and freedom from bureaucratic

interference. Its affairs are subject to the scrutiny of Parliament and the parent Ministry. The daily operations of the Fund have been delegated to a General Manager who is the Chief Executive Officer and a Deputy General Manager.

Mr. Appalsamy REDDI SITANNA – General Manager (till 13 July 2020)

Mr. A. R. Sitanna is a Fellow Member of the Association of the Chartered Certified Accountant with a Master of Science in Finance, University of Mauritius. Mr. Sitanna served in various positions in the public and private sector. He was appointed as Manager/Accountant for the Employees Welfare Fund as from 2005 and promoted to the function of General Manager of the Fund as from December 2007. Mr. Sitana proceeded on retirement from service on ground of age on 13 July 2020.

Mr. Ashok NAWAZ - Acting General Manager

Mr. A. Nawaz is a Fellow Member of the Association of Chartered Certified Accountant with a Master in Science in Finance, University of Mauritius. He was appointed as Accounts Manager as from 2007 for the Fund. In 2008, he has been designated as Finance Manager, and has been promoted to the function of Deputy General Manager of EWF as from January 2013. He is currently assuming actingship for the post of General Manager.

Mr. Jayesingh DAHOO - Project Manager

Mr. J. Dahoo holds a Master of Science in Public Sector Management (2004) and a Master of Science in Corporate Governance & CSR, both at the University of Technology, Mauritius. He is presently the Project Manager at the EWF.

Mr. Diran Raj ADEEN- Accountant

Mr. D. R. Adeen is a Member of the Association of Chartered Certified Accountant. He has joined the EWF as Accounts Clerk in April 2007 and was promoted as Accountant as from September 2017. He has several years of experience in other public sector organization as Accounts Clerk and Accounts Officer.

9.3.4 Board Committees

To help the Board discharge its functions in a responsible and accountable manner, the Board's Committees as described below have been set up to ensure close monitoring of the Fund's operations and compliance with established regulatory guidelines.

The composition of the Committees is in line with the tripartite philosophy as far as possible, depending on competences required and availability of Members.

9.3.5 Committee Charters

Each Committee has its Terms of Reference which clearly articulate its responsibilities. The Terms of Reference of all Committees are reviewed annually or every two years to ensure that they comply with best practices in the relevant areas. Attributes of all Committees have been clearly defined in line with the Code of Corporate Governance.

i) Finance, Loan and IT Committee (FC)

Objectives of the Committee

To assist and advise the Board on the Fund's Financial Management, Investment Policy and Financial Reporting.

Terms of Reference

The main activities of the Committee are to:

- propose financial objectives, priorities, outputs and performance indicators in line with the Fund's aims, policy and management objectives in accordance with the EWF's Act 1995;
- ensure that plans and adequate systems are in place to achieve these objectives effectively, efficiently and economically;
- advise the Board on the financial procedures of the Fund where necessary;
- ensure that there are clearly defined and transparent procedures for expenditure;
- monitor cash flows of the Fund on a monthly basis and advise on cash flow policies;
- examine the annual Financial Statement of the Fund and recommend its acceptance to the Board;
- review continuously the investment policy of the Fund and advise the Board accordingly after consultation with Fund Managers;
- review the local and foreign investment of the Fund in the short, medium and long term, after consulting the Fund Managers appointed by EWF;
- review the policies and procedures relating to investment and financial management, in compliance with applicable laws and regulations;
- ensure that budget tracking and reporting standards are in accordance with the policies approved by the Board;
- review the annual budget and make specific recommendations to the Board on its adoption, including, where desirable, comments on expense levels, revenue structures, fees and charges, adequacy of proposed funding levels of programs, and adequacy of provision for reserves;
- develop and recommend long range financial objectives of the Fund and undertake a review thereof on an annual basis with a view to assessing their ability in sustaining the Fund and the accomplishment of its stated mission and programs;

- report to the Board annually on such objectives, including recommendations for revision as appropriate;
- give covering approval for loan applications that comply with policies, procedures and terms and conditions approved by the Board. However, applications which depart from those policies, procedures and terms and conditions should be referred to the Board for its consideration;
- advise on policies and procedures for debtors monitoring and control;
- propose procedures and modalities to improve the processing of Education Loans with regards to the quantum of loan to be granted, its disbursement and recovery in line with the Fund's aims, policy and management objectives;
- ensure that adequate systems are in place to manage the education loans and In-House Death Cover effectively, efficiently and economically;
- formulate and recommend the Fund's Information Technology (IT) Strategy and ensure its alignment with the Fund's overall corporate strategy and objectives;
- develop, monitor and review the Fund's IT operating governance including its policies, guidelines and procedures; and
- reviewing and monitor the effectiveness of the IT Risk Management and Security plan of the Fund.

Meetings

The Committee meets on a monthly basis except in specific circumstances.

Composition of the Committee

Chairperson - Mr. P. Dursun

Member - Mr. R.S.P. Amourdon (as from January 2021)
 - Mr. D. Davasgaium (July-02 December 2020)

Member - Mr. V. Ramkhalawon (as from February 2021)
 - Mrs. C. Rouillard (till 02 December 2020)

Member - Mr. R. Sadien, MSK (as from January 2021)
 - Mr. G. Jadunundun (till 02 December 2020)

In attendance

General Manager
 Deputy General Manager
 Accountant

The Chairperson and 2 Members shall constitute a quorum for the holding of the meeting.

The Committee may co-opt the services of appropriate resource person(s) for advice as and when required.

ii) Human Resource Committee (HRC)

Terms of Reference

1. To review and propose Human Resources strategies (HR planning, succession planning, employee's engagement, performance management, reward and recognition, employee relations, training, talent management, recruiting and retention, HR service delivery, organisational productivity improvement etc.).
2. To undertake such Corporate Governance initiatives as may be necessary or desirable to contribute to the success of the organisation and to recommend to the Board any reports on Corporate Governance that may be required or considered advisable.
3. To approve the Fund's general policy on staff remuneration as per the PRB recommendations.
4. To ensure effective and sustain human resource development of the Fund.
5. To review major changes in the organisational structure and staffing structure requirements as proposed by the General Manager for the efficient management of the Fund and make proposals to the Board.
6. To review and approve any relevant criteria to measure the performance of staff in fulfilling their functions and responsibilities.
7. To update and review the HR Action Plan.
8. To examine and advise on any other relevant HR issues.
9. To monitor the HR annual budget.

Meetings

Meetings of the Committee are held every 2 months, or as and when the Committee deems appropriate. However, the Committee should meet at least once each year.

Composition of the Committee

Chairperson - Mr. R. Sadien (as from January 2021)

- Mr. C. Park (till 02 December 2020)

Member - Mr. B. Boyramboli (as from January 2021)

- Mr. A. K. Hoolass till 22 December 2020

Member - Mr. A.R. Imrith CSK (as from January 2021)

Member - Mr. V. Ramkhalawon (as from January 2021)

- Mr. R. Sadien, MSK (till December 2020)

In attendance:

General Manager

Technical Officer (HR)

Administrative Secretary (Secretary to the Committee)

At least 3 Members shall constitute a quorum.

General

The Board ensures that the Committee has access to professional advice both inside and outside the Fund in order for it to perform its duties.

iii) Audit, Risk Management and Corporate Governance Committee

Terms of Reference

A. Corporate Governance

The Corporate Governance policy of the EWF ensures that an institution works within a specific structure and parameters so as to ensure ethical code of conduct, compliance to legal requirements and consists of the following:

- i) To determine, agree and develop the EWF's general policy on corporate governance in accordance with the National Code of Corporate Governance for Mauritius 2016(the Code);
- ii) To make recommendations to the Board on all corporate governance provisions to be adopted by EWF;
- iii) To ensure that the reporting requirements with regard to corporate governance are in accordance with the principles of the Code;
- iv) To examine the Corporate Governance Report to be incorporated in the organisation's Annual Report;
- v) To ensure that disclosures are made in the Annual Report in compliance with the Disclosure Provisions in the Code;
- vi) To ensure implementation of the recommendations of the Board Evaluation Report;
- vii) To make recommendation on the Directors' Development Plan.

B. Audit and Risk Management

- a) To look into the functioning of the internal control system and ensure its compliance with existing standards and principles;
- b) To ensure the efficient functioning of the Internal Audit Unit, in compliance with good governance practice;
- c) To review the EWF Code of Ethics, Policies and Procedures, as and when required;
- d) To identify the risk areas of EWF's operations to be covered within the scope of the internal and external audits;
- e) To ensure reliability, integrity and accuracy of the financial information provided to ARMCGC;
- f) To look into any accounting issues identified as a result of the internal or external audits;
- g) To assess the mechanism for measurement of the financial performance of the organisation;
- h) To review the accounting policies, whenever required;
- i) To review, approve and monitor the annual Internal Audit Plan;
- j) To examine the results of internal and external audit work; and

k) To ensure overall compliance with appropriate legal instruments.

Meetings

Meetings will be held on a quarterly basis as per the calendar approved by the Board, except in special circumstances.

Composition

The Committee would comprise of 5 members.

- | | |
|-------------|--|
| Chairperson | – Mr. B. Boyramboli (as from January 2021) |
| | - Mr. R. Sadien MSK (till December 2020) |
| Member | - Mr. R. Sadien (as from January 2021) |
| | - Mr. D. Davasgaum (till 02 December 2020) |
| Member | - Mrs. L. Rajmun- Jooseery, CSK (as from January 2021) |
| | - Mr. P. Dursun (till December 2020) |
| Member | - Mr. R. M. Chuttoo (as from January 2021) |
| | - Mr. C. Park (till 02 December 2020) |

In attendance

The Secretary to the Committee and Internal Auditor shall be in attendance.

Other members of Management team may also be required to attend the Committee or provide specific information to the Committee if so required.

The Chairperson and at least 2 members shall constitute the quorum.

iv) Hotel Management Committee (HMC)

Terms of Reference

- Exchange views on the general performance of the Hotel, competition and tourism trends and prospects in the country.
- Decide on actions to be taken for improvement and upgrading of the Hotel infrastructure and other assets as may be required
- Take decisions for actions as may be necessary in order for the Hotel to meet its obligations towards all its customers and also for the EWF to meet its obligations as a provider of welfare benefits to its own members and Mauritian clients;
- Take decisions for the upgrading, improvement of facilities and services as may be required so that the Hotel is consistently maintained at its approved star category and in keeping with standards in similar hotels within its competitor set;
- Adopt a common and firm policy on complimentary and/or discounted stay and dining at the Hotel, or alternatively to agree on a fixed annual quota for free and/or discounted room-night accommodation (on bed and breakfast basis only) in favour of members of the EWF Board, staff and their guests. All requests for such free and/or discounted facilities within the agreed quota should be made strictly through, and after approval by the General Manager of the EWF in consultation with EGML; and
- Take cognizance of the Hotel performances based on the forecast submitted by EGML as per attached Business Plan in respect of room occupancy, ADR,

RevPAR, GOP and profitability amongst others. For this purpose, a monthly report to be submitted in advance by EGML to the General Manager of EWF for report drafting to be discussed at the Committee level and to be subsequently submitted to the Board of EWF.

Meetings

The Committee will meet on a monthly basis or at such frequency as the Committee may deem necessary at the seat of the Hotel.

Composition

The composition of the Committee shall comprise of:

Three representatives of EWF (Board Members)

Three representatives of EGML

One Independent and experienced hospitality/tourism management specialist (as and when required)

Chairperson – Mr. B. Boyramboli (from April 2021)

- Mr. R. Imrith CSK (till March 2021)

Member - Mr. A. K Hoolass

Member - Mr. V. Ramkhalawon (from April 2021)

- Mrs. C. Rouillard (till 02 December 2020)

2 Representatives from EGML

In attendance

The General Manager

The Project Manager who acts as Secretary to the Committee. The Chairperson of the Board may attend the meetings, if he so desires.

The Chairperson and 3 members shall constitute a quorum for the holding of the meeting.

Note: Internal Hotel Management Committees are held regularly for follow-up. Same comprises of EWF Management and Board Members.

v) Procurement Committee (PC)

Terms of Reference

1. Formulate and ensure that proper procurement procedures and principles are followed for the procurement of goods, services and works;
2. Examine requests for the procurement of goods, services and works and decide on the procurement methods to be used in each case;
3. Vet bidding documents and notices;

4. Open bids received;
5. Examine and evaluate bids;
6. Set up bid evaluation committees, as may be required;
7. Oversee the examination and evaluation of bids and make proper recommendations to the Board for the award of tender/contract;
8. Review and make appropriate recommendations to the Board on applications received for variations, addenda or amendments to any on-going contracts;
9. Recommend, where appropriate, the implementation of measures to improve the operation of the annual procurement planning and process; and
10. Formulate appropriate policies relating to procurement.

Meetings

The Committee shall meet as and when needed.

Composition

Chairperson – Mr. R.S.P. Amourdon (as from January 2021)

-Mr. G. Jadunundun (till 02 December 2020)

Member - Mr. R. M. Chuttoo (as from January 2021)

-Mr. D. Davasgaum (till 02 December 2020)

Member - Mr. A. R. Imrith CSK (as from January 2021)

-Mr. R. Sadien MSK (till December 2020)

Member - Mr. Park (till December 2020)

In attendance

The General Manager

The Project Manager who acts as Secretary to the Committee

The PC may co-opt other officers or persons with the necessary technical/financial expertise where the nature of a procurement so warrants.

vi) Strategic Development and Monitoring Committee (SDMC)

Objectives of the Committee

The success of implementing the strategies formulated depends largely on the setting up of an effective monitoring and evaluation mechanism.

For each strategy, a detailed work plan will be worked out clearly spelling out the resources required and timeframe of implementation.

The monitoring and evaluation mechanism will be ensured by the Strategic Development and Monitoring Committee. (SDMC).

Terms of Reference of the Committee

The role of the SDMC will be:

1. To approve and monitor the 'strategic plan' and report to the Board on subsequent progress and monitoring.
2. To provide annual progress reports and work-plans to Board members, where applicable, with a six-monthly update. (This is in addition to specific project reports and any exception reporting.)
3. Where necessary, revised targets will be identified prior to the end of timeframe.

Meetings

The Committee will meet at least four times during the financial year. Additional meetings would held as and when required.

Composition

The SDMC comprises of the Chairperson of all subcommittees and one representative from the Government

Chairperson of the SDMC– Mrs. L. Rajmun-Jooseery, CSK

Chairperson of the Finance Committee - Mr. P. Dursun

Chairperson of the HR Committee – Mr. R. Sadien, MSK

Chairperson of the Procurement Committee - Mr. R.S.P. Amourdon

Chairperson of the Hotel Management Committee – Mr. B. Boyramboli

Chairperson of the Audit, Risk Management and Corporate Governance Committee – Mr. B. Boyramboli

The Chairperson and at least 3 Members shall constitute a quorum

In attendance

Management team.

vii) Anti-Corruption Committee (ACC)

Terms of Reference

- To formulate an Anti-Corruption Policy.
- To develop a Corruption Prevention Plan.
- To develop and implement the Corruption Risk Management (CRM) plan.
- To oversee and coordinate implementation of corruption prevention strategies.
- To implement the recommendations proposed by the ICAC in Corruption Prevention Reviews.
- To advise management on corruption prevention issues with respect to new projects and policies on which the organization is embarking.

- To build and sustain an ethical culture to promote integrity of staff within the organisation.
- To interact with other ACCs to share corruption prevention experiences.
- To report achievements through the General Manager of the EWF to the Director General of the ICAC twice yearly.

Operation of the Anti-Corruption Committee

Chairpersonship and Secretary

- An officer at a senior Management level or a Board Member should be called upon to lead the project and chair all the meetings.
- An officer must be identified to act as Secretary.

Composition of the Committee

The ACC should comprise of a minimum of 5 Members and a maximum of 7 Members. Head of both operational and support department of the organization should form part of the ACC.

Representatives of EWF

Mr. R. Meettook	Chairperson
Mr. A. Nawaz	Acting General Manager
Mr. J. Dahoo	Project Manager
Mrs. A. Ponnusami	Technical Officer (Loans)
Miss S. Janally	Internal Auditor
Mr. D. Adeen	Accountant
Mrs. L. Nepal-Unuth	Administrative Secretary and Secretary to Committee

Representatives of ICAC

Mrs. K. Jogarah-Seegolun	Chief Corruption Prevention Officer
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Frequency of Meetings

The ACC should meet at least twice yearly or as and when required.

Sub – Committees

The Chairperson should decide upon the setting up of the sub-committees if he/she deems it necessary for the prompt implementation of any initiatives decided by the ACC.

Reporting

Anti-Corruption Committee should report progress through its management to the ICAC on the status of implementation of the framework and results achieved twice yearly (June and December).

viii) Steering Committee (SC)

Objective of the Committee

The Steering Committee is a Special Committee set up by the Board with the particular responsibility to advise the Board on the way forward for the implementation of the Hotel project in Rodrigues.

Terms of Reference of the Committee

The main responsibilities of the Committee are:

1. To brainstorm and agree on a business model which is appropriate for the Rodrigues Hotel project, taking into consideration the objectives of the EWF.
2. To work on an action plan and time frame for the post-acquisition activities including renovation processes.
3. To oversee the planning and execution of the renovation program and ensuring that the time frame is maintained.
4. To review policies and procedures relating to implementation of project and compliance with terms of contract.
5. To take cognizance of regular progress reports and work-plans and submit to the Board.
6. To recommend to the Board the enlistment of a multidisciplinary team of professionals/specialists for the project TOR for Technical Committee, Ex Pointe Venus Hotel

Meetings

The Committee will meet as and when required up till the completion of project.

Composition

The Steering Committee is comprised mainly of the Chairman of the Board and Chairpersons of the Sub Committees and the Representative of the Parent Ministry.

Chairperson of the Steering Committee and of the Board – Mr. H. Boyjonauth

Chairperson of the HR Committee – Mr. R. Sadien MSK

Chairperson of the Finance Committee - Mr. P. Dursun

Chairperson of the Procurement Committee - Mr. R. S.P. Amourdon

Chairperson of the Strategic Development and Monitoring Committee- Mrs Lilowtee Rajmun-Jooseery CSK

Chairperson of the Hotel Management Committee and Audit, Risk Management and Corporate Governance Committee – Mr. B. Boyramboli

In attendance

The General Manager

The Administrative Secretary and Secretary to the Committee

The project manager, architect, interior designer and any other consultant will be invited to be present at the meetings, as and when required.

The Chairperson and 3 Members constitute a quorum for the holding of the meeting.

9.3.6 Board Committees for Year 2020/2021

The table below shows the number of Board and Committees meetings held for the period July 2020 to June 2021:

Committee	QUANTITATIVE DATA									
	BOARD	SBM	SDMC	FCI/SC	HRC/SHRC	PC/SPC	ARC/GC	SC	HMC/AMC	ACC
Board of Directors	11	6	n/a	n/a	n/a	n/a	n/a	3	n/a	n/a
Board of Directors (Sub-Committee)	6	4	2	6	n/a	4	n/a	n/a	n/a	n/a
Board of Directors (Sub-Committee)	4	3	1	n/a	3	n/a	2	n/a	2	n/a
Board of Directors (Sub-Committee)	7	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1
Board of Directors (Sub-Committee)	6	4	n/a	n/a	n/a	3	3	n/a	2	n/a
Board of Directors (Sub-Committee)	5	6	0	n/a	5	0	n/a	3	4	n/a
Board of Directors (Sub-Committee)	11	8	2	6	9	1	5	3	n/a	n/a
Board of Directors (Sub-Committee)	8	5	2	13	n/a	n/a	1	2	n/a	n/a
Board of Directors (Sub-Committee)	6	4	2	n/a	n/a	n/a	3	n/a	n/a	n/a
Board of Directors (Sub-Committee)	5	2	n/a	3	4	n/a	n/a	n/a	2	n/a
Board of Directors (Sub-Committee)	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Board of Directors (Sub-Committee)	5	4	n/a	5	n/a	1	2	2	n/a	n/a
Board of Directors (Sub-Committee)	1	5	n/a	n/a	2	n/a	n/a	n/a	3	n/a
Board of Directors (Sub-Committee)	5	4	n/a	6	n/a	2	n/a	3	n/a	n/a
Board of Directors (Sub-Committee)	5	2	n/a	n/a	5	1	0	0	n/a	n/a
Board of Directors (Sub-Committee)	5	4	n/a	7	n/a	n/a	n/a	n/a	4	n/a

It is to be noted that, due to the COVID Pandemic, several Committees and Board Meetings were conducted by the ZOOM teleconferencing platform.

9.4 Principle 3: Directors' appointment Procedures

9.4.1 The EWF Act 1995

The EWF Act 1995 makes provision for the Fund to be administered and managed by a Board. The Act requires a tripartite philosophy in its management setting.

According to the EWF Act 1995, the Board shall consist of;

- a Chairperson appointed by the Minister after consultation with representatives of employers and employees;
- 3 representatives of Government;
- 3 representatives of employees appointed by the Minister after consultation with the trade unions; and

- 3 representatives of employers appointed by the Minister after consultation with the Business Mauritius.

Committees	Total No. of Meetings
Board	11
Special Board Meeting (SBM)	8
Finance Committee (FC)	12
Special Finance Committee (SFC)	1
HR Committee (HRC)	6
Special HR Committee (SHRC)	3
Hotel Management Committee (HMC)	1
Internal Hotel Management Committee (IHMC)	5
Audit, Risk Management and Corporate Governance Committee (ARCGC)	5
Procurement Committee (PC)	5
Special Procurement Committee (SPC)	1
Anti-Corruption Committee (ACC)	1
Strategic Development and Monitoring Committee (SDMC)	2
Steering Committee (SC)	3

The Members of the Board are appointed by the Parent Ministry (Ministry of Finance, Economic Planning and Development). In line with Section 5 of the Act, they shall hold office for a period of 2 years and shall be eligible for re-appointment.

9.4.2 Induction and Directors' Development Programme

Upon his or her election, each Board Member participates in an induction programme that covers the organization's strategy, general financial and legal affairs, financial reporting by the organisation, any specific aspects unique to the organisation and its business activities, and the responsibilities of a Board Member.

The induction of Members is a process by which all new members familiarize themselves with the business, its products or services and how it operates. Every new Member shall be offered an induction pack and any other information as requested.

Board Members, at the beginning of each year, agree on a Training Programme to be carried inhouse or through seminars, conferences and workshops with the objective of better serving the Board. However, due to the COVID-19 Pandemic and its impact on the revenue of the Fund, exceptionally, training could not be delivered as intended.

9.4.3 Attendance to Board and Sub Committees

The table below shows the overall attendance of Members to Board and Board Committees for period July 2020 to June 2021 in respect to the number of meetings held.

9.5 Principle 4: Directors' duties, Remuneration and Performance

9.5.1 Related Party Transactions

Board Members immediately report to the Chairperson of the Board of any conflict of interest or potential conflict of interest, and provide all relevant

information, including information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The concerned Board Member does not take part in any assessment by the Board or proceeding of the Board wherever conflict of interest exists.

A potential conflict of interest exists if the organisation intends to enter into a transaction with a related party, and the organisation shall develop a policy on how to ensure that the rights of all stakeholders are protected during such transactions. Conflict of interests are well defined in the EWF Ethics Policies and Procedures Manual.

A related party includes the following:

- (i) The Board Members of the organisation, its parent organisation, affiliated or sister companies and associates.
- (ii) A parent organisation and any subsidiary or affiliated organisation that is not wholly owned.
- (iii) The General Manager, and key officers, including anyone who directly reports to the Board or the General Manager.
- (iv) The father, mother, sons, daughters, husband, or wife of any of the natural persons listed in Clauses (i, ii and iii).
- (v) Any business, and the governing Board Members, General Manager and key officers of any business, in which the natural persons listed in paragraphs (i) to (v) own jointly or severally at least 5% of the voting rights.
- (vi) Any person whose judgment or decisions could be influenced as a consequence of an arrangement or relationship between or involving themselves and any of the persons in paragraphs (i) to (vi).

9.5.2 Board evaluation and development

9.5.2.1 Board Evaluation

The EWF intends to implement a Board Evaluation Process, and would start to implement a work plan.

9.5.4 Board Members' Remuneration

As per the EWF Act 1995, the Board Members' remuneration is decided by the Ministry of Finance, Economic Planning and Development for the meetings and function at the Fund. For the period under review, the Board Chairperson has been paid a fee of a monthly fee of Rs50,000 all-inclusive and the Board Members, a monthly fee of Rs20,000 all inclusive.

For the 12 months period ended 30 June 2021, the Chairperson and Members earned Board fees of a total of Rs 2,680,645.16 (Please refer to Table below for detailed fees).

MEMBER	BOARD FEES
Mr. R.S.P Amourdon	140,000.00
Mr. H. Boyjonauth	580,645.16
Mr. B. Boyramboli	120,000.00
Mr. M. R. Chuttoo	140,000.00
Mr. D. Davasgaum	120,000.00
Mr. P. Dursun	220,000.00
Mr. A. K. Hoolass	120,000.00
Mr. A.R. Imrith	200,000.00
Mr. G.T. Jadunundun	120,000.00
Mr. R. Meettook	220,000.00
Mr. C. Park	100,000.00
Mrs. L. Rajmun-Jooseery	140,000.00
Mr. V. Ramkhalawon	120,000.00
Mrs. C. Rouillard	100,000.00
Mr. R. Sadien	240,000.00
	2,680,645.16

9.6 Principle 5: Risk Governance and Internal Control

In accordance with the National Code of Corporate Governance Code, the Board acknowledges its responsibility for the risk governance and internal control of the Fund. The Board is dedicated to continuously maintain a comprehensive and robust system of risk management and sound internal control system which is essential for reliable reporting and effective management of the Fund.

Risk management and internal control are among the two main priority areas for the Board consideration.

- Risk Management and Internal Control

The Board responsibility is to determine the Fund's risk appetite and risk tolerance and assess whether the Fund strategy is consistent with the agreed-upon risk appetite.

The Audit, Risk Management and Corporate Governance Committee, define the risk management policies of the Fund with regard to the welfare projects, investments and loans and receivables. The Fund maintains a conservative approach to investment policy with most of its investments in listed local equities. With regards to the loans and receivables portfolio management, the Fund has well established loan policies regarding the different types of loans which restrict the credit risk exposure of the Fund.

The risk management and internal control systems can only be designed to manage, rather than eliminate, the risk of failure to achieve the Fund objectives and therefore only provide reasonable, and not absolute assurance against material misstatement or loss.

The activities of the Fund expose it to the following principal risks:

1. Market risk which consists of:

- Price risk – the risk that the Fund faces from changes in the prices of its listed investments;
- Interest rate risk – The Fund invests in bank deposits and loans and receivables at interest rates which may fluctuate as a result of a change in the repo rate and hence exposing it to interest rate risk;
- Foreign exchange risk - The Fund invests in equity shares in companies incorporated in USA and UK which are denominated in these foreign countries currencies as well as having fixed deposits in USD. Due to the impact of Covid19, it will face foreign exchange risk if there was a significant change in the exchange rates from USD and UK pound sterling to the Mauritian rupee, hence impacting on the value of equity shares in foreign market.
- Liquidity risk - The Fund does not have significant creditors at year end other than the retirement benefits obligations and in-house loan policy which are not due in the short term.
- Credit risk - the risk that the Fund will face following the inability of its customers to repay back the loans instalments due to the Fund.

2. Compliance and Legal Risk:

As a public entity, the EWF, its Directors, Management, and Staff must operate in compliance with The Employees Welfare Fund Act 1995, rules and regulations. Compliance risk arises from violations of or nonconformance with those laws, regulations, or prescribed practices which govern the Fund's activities. Legal risk arises from the potential that unenforceable contracts, lawsuits, or adverse judgments can disrupt or otherwise negatively affect the operations or condition of the Fund.

3. Strategic Risk:

Strategic risk results from adverse business decisions or the improper implementation of those decisions resulting in failure to achieve the Fund's objectives. This risk can have severe consequences that could impact on the Fund in the long-term.

The Fund's risk management model is based on the three lines of defense principle. This strategy gives the Board and Senior Management three clear line functions to rely on, to ensure the effectiveness of the Fund's risk management framework.

At the first line of defense, operational supervisors manage and own the risks. They are also responsible for implementing corrective actions to address process and control deficiencies. The Audit, Risk Management and Corporate Governance Committee serves as the second line of defense which facilitates and monitors the implementation of effective risk management practices by operational management and assists risk owners in defining the target risk exposure and reporting adequate risk-related information.

The third line of defense is the internal audit function which provides an independent and objective assurance on the effectiveness of the risk management, internal control and governance processes.

Whistle Blowing Policy

The Fund has set up a Whistle Blowing Policy which outlines the procedures for whistle blowing. The aim of this Policy is to encourage employees to report any suspected misconducts, illegal acts or who have serious concerns about any aspect of the Fund to come forward and voice those concerns.

Anti-Corruption Policy

Corruption risks are also of utmost importance for the Board and the Fund has established the EWF Anti-Corruption Policy. The Anti-Corruption Committee (ACC) is responsible to oversee and monitor corruption risks and prevention strategies. During the year, ICAC provided training on corruption risks to members of the ACC.

9.7 Principle 6: Reporting with Integrity

Following the Board decision to adopt the Integrated Reporting and the Global Reporting Initiatives Standards, the services of an external consultant has been contracted to set the Integration of Reporting frameworks in place. However, due to the COVID 19 Pandemic, same could not be implemented.

9.8 Principle 7: Audit

The Fund has its own Internal Audit team since April 2018 which performs regular review of the Fund's system, process, risk and control and governance environment. The Internal Auditor reports functionally to the Audit, Risk Management and Corporate Governance Committee (ARMCGC) and administratively to the Acting General Manager.

The internal audit provides an independent and objective assurance on the Fund's risk management, internal control and governance processes. The Internal Auditor reports to the ARMCGC on a quarterly basis without the presence of Management.

External audit is carried out by auditors of the National Audit Office as required by the Statutory Bodies (Accounts and Audit) Act. The ARMCGC reviews reports of the External Auditor and make recommendations to the Board.

As such, through audit reports, regular reporting from Management on matters reported and action and reporting from Chairperson of ARMCGC; the Board obtains reasonable assurance on the adequacy and effectiveness of the Fund internal control and risk management.

9.9 Principle 8: Relations with Shareholders and Other Key Stakeholders

EWF is a statutory body set up by an act of parliament and is controlled by a Board appointed under Section 5 of the EWF Act 1995. The Fund is accountable to the government of Mauritius.

Other key stakeholders include the following:

- EWF employees
- Suppliers /Contractors
- EWF/NSF members
- Financial institutions
- Business Mauritius
- Employees' Federations

9.10 Other disclosures

A. EWF Hospitality Ltd

The EWF Hospitality Ltd was incorporated on 21 June 2021. It is a Special Purpose Vehicle created by the EWF to:

- I. manage through the acquisition, operation or management of such hotel business as the Board of the EWF may approve, such financial resources of the EWF as its Board may determine;
- II. set up schemes and projects within the hotel sector for the welfare of employees and their families.

B. As mentioned in the Annual Report for the FY 2019/2020, the service of the Office of Public Sector Governance (OPSG) was enlisted to review the Management Letter of the National Audit Office (NAO) (for the 18 month-period ended 30 June 2017) and the report of the Internal Control Cadre (tabled to the Board in June 2020) so as to propose recommendations. The OPSG Report was tabled to the Board in February 2021. The Report has been perused at the level of the Audit, Risk Management and Corporate Governance Committee, and relevant recommendations have been submitted to the Board for implementation.

It is to be noted that the Central Criminal Investigation Department (CCID) is still investigating on EWF's Calodyne Sur Mer (CSM) operations following the Qualified Audit Report, for the 18 month-period ended 30 June 2017, which was issued to EWF by the NAO in June 2020.

10.0 Directors' Responsibility Statement

(a) Financial Statements

The Directors of the Employees Welfare Fund are responsible for the integrity of the audited financial statements of the Fund and the objectivity of the other items of information presented in these statements.

The Board confirms that, in preparing the audited financial statements, it has:

- i) Selected suitable accounting policies and applied them consistently;
- ii) Made judgments and estimates that are reasonable and prudent;
- iii) Stated whether applicable accounting standards have been followed, subject to any material departures explained in the financial statements
- iv) Kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund;
- v) Safeguarded the assets of the Fund by maintaining internal accounting and administrative control systems and procedures; and
- vi) Taken reasonable steps for the prevention and detection of fraud and other irregularities.

(b) Going Concern Statement

On the basis of current projections, we are confident that the Fund has adequate resources to continue operating for the foreseeable future and consider that it is appropriate that the going concern basis in preparing the financial statements be adopted.

(c) Internal Control

The Board has the overall responsibility for taking such steps, as are reasonably open to them, to safeguard the assets of the Fund, to prevent and detect fraud and other irregularities.

Such systems ensure that all transactions are authorized, recorded and that any material irregularities are detected and rectified within a reasonable time-frame.

(d) Risk Management

Through the Audit, Risk Management and Corporate Governance Committee, it is ensured that the Board is made fully aware of the various issues and risks affecting the Fund operating activities. The Board is responsible for taking appropriate action to mitigate these risks using measures, policies and procedures and other type of controls that they believe are most appropriate.

(e) Donations

The Fund did not make any donations in this financial year.



Chairman

Mr H. BOYJONAUTH



Board Member

AUDITOR'S REPORT



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE EMPLOYEES WELFARE FUND

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Employees Welfare Fund set out on pages 65 to 94 in the annual report, which comprise the statement of financial position as at 30 June 2021 and the statement of financial performance, statement of changes in net assets/equity, statement of cash flow and statement of comparison of annual estimates and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Employees Welfare Fund as at 30 June 2021, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Employees Welfare Fund in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

Emphasis of Matter

I draw attention to Note 4 (d) to the financial statements, which mentions that Sealife Resorts and Spa owned by the Employees Welfare Fund is situated on land leased from the Ministry of Housing and Land Use planning. The land valued at Rs 110.9 million in 2017 was accounted for as Investment Property in the financial statements on the assumption that the land will continue to be held by the Employees Welfare Fund on a perpetual basis until expressed otherwise by the Government.

My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Employees Welfare Fund, but does not include the financial statements and my auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, and for such internal control as management 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, management is responsible for assessing the Employees Welfare Fund'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 management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the Employees Welfare Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, 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 ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Employees Welfare Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Employees Welfare Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Employees Welfare Fund 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.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Management's Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Employees Welfare Fund's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

Auditor's Responsibilities

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report as to whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the Employees Welfare Fund has been applying its resources and carrying out its operations fairly and economically; and
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

As far as it could be ascertained from my examination of the relevant records, no direction relating to the accounts has been issued by the responsible Minister to the Employees Welfare Fund.

Based on my examination of the records of the Employees Welfare Fund, nothing has come to my attention that causes me to believe that:

- (a) expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (b) the Fund has not applied its resources and carried out its operations fairly and economically.

Non-compliance with of the Statutory Bodies (Accounts and Audit) Act

Section 3(A)(1) of the above Act provides that:

“except where otherwise expressly provided in the enactment establishing or setting up a statutory body, the statutory body shall not establish or create any agency or body of persons, whether corporate or unincorporated.”

The Employees Welfare Fund Act does not make provision for the creation of an agency or a body of persons, whether corporate or unincorporated.

However, contrary to Section 3(A)(1) of the Statutory Bodies (Accounts and Audit) Act, the Employees Welfare Fund created a private limited company, namely EWF Hospitality Ltd, for the operation and management of its hotel activities.

Except for the creation of the private limited company, the Employees Welfare Fund has complied with the Statutory Bodies (Accounts and Audit) Act in so far as it relates to the accounts.

Public Procurement Act

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.



C. ROMOOAH
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

28 April 2022

FINANCIAL STATEMENTS

Employees Welfare Fund
STATEMENT OF FINANCIAL POSITION
As at 30 June 2021



		2020 / 2021	Restated FS 2019 / 2020
	Notes	Rs	Rs
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	14	813,068,113	428,208,600
Trade and other receivables	15	39,548,970	42,124,704
Loans and receivables	16	365,668,580	428,253,510
Held to Maturity investments	16	-	74,074,500
		1,218,285,663	972,661,314
<i>Non-current assets</i>			
Investment property	18	302,248,853	308,487,051
Loans and receivables	16	1,070,010,839	1,257,368,228
Fair value through surplus and deficit investments	16	35,472,349	24,193,226
Available for sale securities	19	371,279,990	306,599,136
Infrastructure, plant and equipment	20	86,715,044	87,472,931
Intangible asset	21	64,688	412,126
Other non-current assets	17	1,300,001	1,300,001
<i>Total non-current assets</i>		1,867,091,764	1,985,832,699
<i>Total assets</i>		3,085,377,427	2,958,494,013
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	22	7,850,872	14,260,326
Deferred revenue	23	65,343	91,218
Employee benefits obligation	24	255,053	349,919
<i>Total current liabilities</i>		8,171,268	14,701,463
<i>Non-current liabilities</i>			
Employee benefits obligation	24	35,502,358	26,083,525
In-house loan cover scheme	25	73,047,953	72,936,298
<i>Total non-current liabilities</i>		108,550,311	99,019,823
<i>Total liabilities</i>		116,721,579	113,721,286
<i>Net assets</i>		2,968,655,848	2,844,772,727
NET ASSETS / EQUITY			
<i>Capital and reserves</i>			
General fund	26	2,727,714,496	2,603,831,375
Reserves	27	240,941,352	240,941,352
<i>Total net assets / equity</i>		2,968,655,848	2,844,772,727

Approved by Board on 27 October 2021

.....
Chairman



.....
Board Member

Employees Welfare Fund
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2021

		2020 / 2021	Restated 2019 / 2020
	Notes	Rs	Rs
Revenue			
Interests	28	91,081,283	106,759,498
Investment revenue	29	2,494,884	7,506,600
Other revenue	30	34,450,126	32,570,383
Total revenue		128,026,293	146,836,481
Expenses			
Administrative expenses	31	22,242,234	16,499,945
Staff costs	32	19,979,249	21,809,467
Employee benefits expense	33	6,382,258	4,466,515
Depreciation and amortization expense	34	9,670,098	11,498,461
Provisions and write offs	35	11,395,670	10,167,388
Welfare activities expenses	36	150,161	159,605
Total expenses		69,819,670	64,601,381
Surplus from operating activities		58,206,623	82,235,100
Other gains / (Losses)			
Exchange differences on translating foreign operations	37	9,492,339	18,307,532
Total gains/(losses)		9,492,339	18,307,532
Surplus for the year		67,698,962	100,542,632

The notes from Pages 70 to 94 form an integral part of the financial statements.

Employees Welfare Fund
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
For the year ended 30 June 2021



	Notes	General fund <i>Rs</i>	Reserves			Total <i>Rs</i>
			Reserves <i>Rs</i>	Grants <i>Rs</i>	Total Reserves <i>Rs</i>	
At 1 July 2019 - Restated		2,553,352,948	240,941,352	-	240,941,352	2,794,294,300
Actuarial Gains (losses) on employee benefits obligation	24	(6,383,588)	-	-	-	(6,383,588)
Increase / (decrease) in fair value of investment securities	38	(43,680,617)	-	-	-	(43,680,617)
Net surplus/(deficit) for the year		100,542,632	-	-	-	100,542,632
At 30 June 2020 - Restated		2,603,831,375	240,941,352	-	240,941,352	2,844,772,727
At 1 July 2020 - Restated		2,603,831,375	240,941,352	-	240,941,352	2,844,772,727
Actuarial Gains (losses) on employee benefits obligation	24	(8,579,857)	-	-	-	(8,579,857)
Increase / (decrease) in fair value of investment securities	38	64,764,016	-	-	-	64,764,016
Net surplus/(deficit) for the year		67,698,962	-	-	-	67,698,962
At 30 June 2021		2,727,714,496	240,941,352	-	240,941,352	2,968,655,848

Employees Welfare Fund
STATEMENT OF CASH FLOW
For the year ended 30 June 2021



	2020 / 2021	Restated 2019 / 2020
	<i>Rs</i>	<i>Rs</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	67,698,962	100,542,632
Non-cash movements		
Depreciation	9,670,098	11,498,461
Provisions and Write offs	11,395,670	10,167,388
Employee benefits expense	3,433,694	864,210
(Gain)/ Loss on FVPL investment	(1,074,263)	164,076
Increase/(decrease) in Accrual in other income	(4,983,021)	11,007
Exchange (gain)/loss	(9,452,333)	(18,173,778)
Adjustment for accrued expenses	-	11,235
Adjustment for interest accrued	(478,751)	(1,126,791)
Other receivables decrease(increase)	(22,267,705)	(15,085,164)
Other payables (decrease)increase	5,185,649	(1,365,666)
Net non-cash movements	(8,570,962)	(13,035,022)
Operating Activities		
Loans repaid	453,028,079	483,688,722
Loans refunded (overpayment)	(3,038,380)	(1,678,442)
Loans disbursed	(198,084,507)	(322,952,122)
In-house loan cover	3,959,467	6,997,723
Employee Benefits	(2,689,586)	-
	253,175,073	166,055,881
Net cash flows from operating activities	312,303,073	253,563,491
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant, property and equipment	(1,630,752)	(11,690,833)
Proceeds from investments	74,187,192	(74,074,500)
Net cash flows from investing activities	72,556,440	(85,765,333)
Net (decrease)/ increase in cash and cash equivalents	384,859,513	167,798,158
Cash and cash equivalents at 1 July 2020	428,208,600	260,410,442
Cash and cash equivalents at 30 June 2021	813,068,113	428,208,600
	384,859,513	167,798,158

Notes to the Cash Flow Statement

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances with banks, and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:

	2020 / 2021	2019 / 2020
	<i>Rs</i>	<i>Rs</i>
Cash in hand and balances with banks	813,068,113	428,208,600
	813,068,113	428,208,600

The entity has no undrawn borrowing facilities

(b) Property, plant and equipment (PPE) and investment property

During the period, the EWF acquired PPE and investment property with an aggregate cost of Rs2,340,371. Cash payments of Rs1,630,752 were made for the purchase PPE and investment property.

Employees Welfare Fund

STATEMENT OF COMPARISON OF ANNUAL ESTIMATES AND ACTUAL AMOUNT

For the year ended 30 June 2021

	Final Budget 2020/2021	Actual 2020/2021	Difference Final Budget and Actual	Reason for variance
	Rs	Rs	Rs	Notes
REVENUE				
Interest income	85,241,471	86,865,683	1,624,212	
Investment income	2,000,000	996,490	(1,003,510)	(i)
Other income	21,780,000	1,266,083	(20,513,917)	(ii)
Total Revenue	109,021,471	89,128,256	(19,893,215)	
EXPENDITURE				
Staff costs	(30,309,168)	(28,809,807)	1,499,361	(iii)
Fees to board members	(2,869,410)	(2,680,645)	188,765	
Electricity and telephone	(1,272,560)	(1,488,077)	(215,517)	
Legal and professional fees	(7,357,450)	(985,110)	6,372,340	(iv)
Repairs and insurance office and investment property	(1,893,984)	(1,587,102)	306,882	
Training and seminars	(956,600)	(48,000)	908,600	(v)
Other administrative expenses	(14,006,222)	(10,020,480)	3,985,742	(vi)
Total expenditure	(58,665,394)	(45,619,221)	13,046,173	
Surplus	50,356,077	43,509,035	(6,847,042)	
CAPITAL EXPENDITURE				
Capital expenditure	(262,761,366)	(1,902,542)	260,858,824	(vii)
Loan schemes	(130,293,172)	269,847,885	400,141,057	(viii)
Investment	-	73,405,135	73,405,135	
	(393,054,538)	341,350,478	734,405,016	
Net Movement in Cash	(342,698,461)	384,859,513	727,557,974	

Notes

(i) During the period 2020/21, due to covid-19 pandemic, the actual amount of investment return received was lower than budgeted

(ii) Due to Covid -19 pandemic, the hotel operator had not paid the total amount of rent involved to them for FY 20/21. The actual amount of rent received from Sealife Resort and Spa is below the actual amount budgeted.

(iii) Recruitment of some posts for the period earmarked took more time than expected.

(v) Legal and profession fees earmarked for court cases not incurred in FY 20/21

(v) Some training/overseas mission and welfare activities could not be held and have been postponed for the next year.

(vi) Recurrent expenses for ICT related project were not incurred during the current Financial year.

(vii) Some of the projects initially earmarked for 2020/21 have been re-allocated as per revised targets and would be part of new corporate plan.

(viii) There has been a reduction in demand of loans during the year 2020/21 as compared to previous trends which explains a reduction in the investment in loan schemes.

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



1. CORPORATE INFORMATION

The Employees Welfare Fund (the Fund) is a corporate body established under the Employees Welfare Fund Act 1995 to manage the resources of the Fund and to operate schemes and projects for the welfare of employees and their families. The address of its registered office and principal place of business is 6th Floor, Moorgate House, Sir William Newton Street, Port Louis.

2. BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis as modified by the revaluation of land and buildings, investment properties, available-for-sale financial assets and other financial instruments which are stated at their fair values as disclosed in the accounting policies thereafter. The financial statements are presented in Mauritian rupees (MUR) and all values rounded to the nearest rupee.

The financial statements have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB).

At the date of authorisation of these financial statements, a number of new Standards and Interpretations were in issue but not yet effective. None of these is expected to have a significant effect on the financial statements of the Fund. The following Standards and Interpretations were issued but not yet effective:

IPSAS 41	-	Financial Instruments
IPSAS 42	-	Social Benefits

3. REPORTING PERIOD

The financial statements have been prepared for year ended 30 June 2021, which covers the period 1 July 2020 to 30 June 2021 with comparative information for year ended 30 June 2020.

4. ACCOUNTING POLICIES

The principal accounting policies adopted by the fund are as follows:

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in 'currency' (Rs), which is the Fund's presentation currency.

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Performance.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through surplus or deficit are recognised in the Statement of Financial Performance as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in Statement of Changes in Net assets/ Equity.

(b) Infrastructure, plant and equipment

Infrastructure, plant and equipment are stated at cost, net of accumulated depreciation and any accumulated impairment losses.

Such cost includes the cost of replacing part of the infrastructure, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Fund recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Financial Performance as incurred.

Land acquired are mainly for operational use as per corporate plan or for its future development in line with objectives of the EWF act.

Depreciation

Depreciation is calculated so as to write off the cost of the assets in use, on a straight line basis over their expected useful lives. Full depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal. The annual depreciation rates used for the purpose are as follows:-

Plant and equipment	15 %
Electronic equipment	25 %
Furniture and fittings	10 %
Building - New Office	2 %
Computer equipment	33 $\frac{1}{3}$ %
Motor vehicles	20%
Service concession assets	15 %

Depreciation is not charged for Land acquired by Fund. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the Statement of Financial Performance.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

(c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired is the fair value as at date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangibles asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at cash generating unit level. Such intangible are not amortised. The useful life of an intangible asset with an indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The annual depreciation rates used for the purpose is 25 %

(d) Investment property

Sealife Resorts and Spa (SRS) formerly known as Calodyne Sur Mer Hotel at Grand Gaube is owned by the Fund and is classified as Investment Property. It is situated on land leased from Ministry of Housing and Land Use Planning. The land has been valued at Rs 110,925,000 in 2017 and included in the Financial Statements. So far, it has been accounted as Investment Property based on the assumption that the land will continue to be held by the EWF on a perpetual basis until expressed otherwise by the Government. The lease is for an initial period of 19 years and a fraction and is renewable for four periods of 10 years. The renewal of lease is in process at the Ministry of Housing and Land Use Planning since 2015 and therefore, the land has continued to be classified as investment property for the current year. The investment property is held mainly to earn income for the welfare of employees and their families as per objects 4(b) and (d) of the EWF's Act 1995 and is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in the surplus and deficit in the year in which they arise. Fair values are determined based by using open market value, i.e based on active market prices, significantly adjusted for difference in the nature, location and condition of the specific property.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



carrying amount of the asset is recognized in the Statement of Financial Performance in the period of derecognition.

During the financial year ended June 2021, the EWF's Board created a Special Purpose Vehicle (a private limited Company), EWF Hospitality Ltd, upon the approval of the Minister of MOFEPD (on the advice of SLO) for the operation and management of EWF's hotel activities.

A decrease in carrying amount arising on revaluation of building is charged to Statement of Financial Performance to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to previous revaluation of that asset. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserves is transferred directly to retained earnings. Profit or loss arising on the disposal of land and buildings is the difference between sales proceeds and the carrying amount of the asset and is recognized in the Statement of Financial Performance.

Depreciation is calculated on the straight-line method to write off the cost of the Investment Property to their residual values over their estimated useful lives as follows:

Property –Building	2 %
Plant and equipment	15 %
Furniture and fittings	10 %
<i>Sofa, bed and accessories</i>	20 %
Computer equipment	33 ¹ / ₃ %
Land is not depreciated	

During the period ended 30 June 2021, the hotel continued to be managed by EGML Ltd under a Hotel Management Agreement which started since March 2017.

The figure reported as at 30 June 2021 is considered to reflect its fair value as the last revaluation was done on the 30 June 2017 and since the renovation made during the year, do not have significant change in the value of assets and still in progress.

(e) Financial instruments

1. Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2. Financial assets

Financial assets are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as held to maturity, available-for-sale assets, fair value through profit and loss or loans and receivables.

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



(i) Held-to-maturity

Held-to-Maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Fund has the positive intent and ability to hold to maturity, and which are not designated at fair value through surplus or deficit or available for sale.

(ii) Available-for-sale

Available for sale investments are non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried out at fair value.

(iii) Fair value through surplus or deficit

In determining financial assets at fair value through surplus and deficit, the Fund determines that it meets one of the criteria for this designation. Unquoted local equity securities which are not traded in an active market have been classified as fair value through surplus and deficit.

(iv) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Fund does not intend to sell immediately or in the near term.

3. Initial recognition

Financial assets and financial liabilities are recognised on the balance sheet when the Fund has become party to the contractual provisions of the financial instruments. Financial instruments are initially measured at cost, which includes transaction costs.

4. Subsequent measurement

Subsequent to initial recognition, at subsequent reporting dates financial assets are measured as set out below:

(i) Held-to-maturity

Investments classified as held to maturity (HTM) are measured at cost, less any impairment loss.

(ii) Available-for-sale

Assets classified as available for sale (AFS) are measured at fair value. However, AFS investments which do not have a quoted active market price and whose fair value cannot be reliably measured are subsequently measured at amortised cost or cost, depending on whether they have a fixed maturity or not, less any impairment loss. For AFS investments, unrealised gains and losses are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity in respect of that investment is included in the Statement of Financial Performance.

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



(iii) Fair value through surplus or deficit

Assets classified as fair value through surplus or deficit (FVTSD) are measured at fair value obtained from respective institution as at 30 June 2021. For FVTSD assets and liabilities, unrealised gains and losses are included in the Statement of Financial Performance.

(iv) Loans and receivables

Asset classified as Loans and receivable are measured at cost less any impairment allowance.

5. Impairment of financial assets

(I) Assets carried at amortised cost

The Fund assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Fund uses to determine that there is objective evidence of an impairment loss include:

- (i) significant financial difficulty of the issuer or obligor;
- (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- (iv) it becomes probable that the borrower will enter bankruptcy or financial reorganization;
- (v) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (1) adverse changes in the payment status of borrowers in the portfolio; and
 - (2) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Fund first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Fund determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with significant credit risks and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



The Fund considers the existence of objective evidence of impairment when procedures have been initiated for recovery of loans and receivables through solicitor and for which no cash flow forecasts can be made reliably due to irregularity in repayments.

The amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flow that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable. Future cash flows have been estimated based on pattern of current and past observable data on repayments of loan and receivables and also on the status and progress of legal actions cases. Revaluations of collaterals are made by independent surveyors. The policy of the Fund is to adjust the foreclosure value of collaterals by a percentage to adjust for obtaining and selling of the collaterals. In applying objective judgment in determining the amount of individually impaired assets, the Fund considers full impairment for those assets which have indication of impairment and does not have any collateral or its foreclosure value cannot be ascertained.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (that is, on the basis of the Fund's grading process that considers asset type, industry, geographical location, collateral type, past due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of assets by being indicative of debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Fund to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in surplus or deficit.

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



(II) Assets classified as available for sale

The Fund assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Fund uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the Statement of Financial Performance on equity instruments are not reversed through the statement of Financial Performance. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the Statement of Financial Performance

(a) Foreign currencies

Transactions in foreign currencies are recorded in Mauritian Rupees using the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated in Mauritian Rupees using the rate of exchange ruling at the balance sheet date.

All exchange differences on translation are dealt with in the Statement of Financial Performance except those arising from available for sale investments which are treated in equity.

(b) Retirement benefit obligations

(i) Defined benefit and contribution plan

Provision for retirement benefits for the EWF staff are made under the Statutory Bodies Pension Act 1978 as amended and in accordance with IPSAS 39 (Employee Benefits). The Fund provides retirement benefits for its employees through a defined benefit plan called “Employees Welfare Fund (EWF) Staff Pension Fund”.

The EWF Staff Pension Fund is a defined contribution and benefit plan. Its assets are managed by the State Insurance Company of Mauritius Ltd (SICOM). The rate of contribution in the plans are 18% and 19% respectively. The cost of providing the benefit is determined in accordance with actuarial review undertaken every five years.

The net liability at balance sheet date is determined as the present value of funded obligations after adjusting for the fair value of plan assets, any unrecognised actuarial gains and losses and any unrecognised past service cost.

The current service cost and any recognised past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets. The total contribution made in plans for the present financial year was Rs2,698,617

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



(ii) State pension plan

Contributions to the National Pension Scheme are expensed to the Statement of Financial Performance in the period in which they fall due.

(c) Cash and cash equivalents

Cash and cash equivalents comprise balances held with banks and highly liquid financial assets which are subject to insignificant risk of changes in their fair value and are used by the Fund in the management of its short term commitments.

(d) Comparative figures

When an accounting policy is changed with retrospective effect, comparative figures are restated in accordance with the new policy.

(e) Trade and other receivables

Trade and other receivables originated by the Fund are stated at cost less provision for doubtful debts. Debts are written off during the period in which they are identified.

(f) Trade and other payables

Trade and other payables are stated at their nominal amount.

(g) Impairment of non-current asset

At each balance sheet date, the Fund reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



5. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IPSAS requires the Fund's management to exercise judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgments and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where the Fund has applied a higher degree of judgment that have a significant effect on the amounts recognized in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) **Deferred revenue**

Interest accrued for loans with a moratorium period is recognized in the statement of financial position on pro-rata basis under deferred revenue.

(b) **Impairment loss on loans and receivables to customers**

Management is of the view that identifying information on those non-performing loans which will enable calculation of the general impairment based on a group of similar credit risk characteristics on a collective assessment at net present value, is difficult to obtain. However those loans which are non-performing to date and for which legal actions have been initiated, have been provided specific impairment based on management judgment that those loans non-recoverability is more than certain.

6. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

Risk management is carried out by a central management finance committee under policies approved by the board of directors. Treasury policies include identifying, evaluating and mitigating financial risks in taking the right decisions in financial operations. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



(a) Fair values

The carrying amounts of the financial assets and financial liabilities approximate their fair value due to the short term nature of the balances involved.

(b) Currency risks

The fund is exposed to the risk that the exchange rate of the Mauritian Rupee relative to the United States Dollar may change in a manner which has a material effect on the reported values of the fund's assets and liabilities.

(c) Currency profiles

The currency profile of the fund's financial assets and liabilities is summarized as follows:

Financial assets

Currency	Rs
United States Dollar	13,442,433
British Pounds Sterling	Nil

(d) Liquidity risk

The company's listed securities are considered to be readily realizable as they are listed on a recognized stock exchange.

(e) Interest rate risk

The Fund's interest rate risk arises from loans and receivables to customers. Loans and receivables at variable rates expose the Fund to cash flow interest rate risk which is partially offset by cash held at variable rates. Loans and receivables issued at fixed rates expose the Fund to fair value interest rate risk.

(f) Market risk

(i) Foreign exchange risk

The Fund operates and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound sterling. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign exchange assets.

Management has set up a policy to manage the foreign exchange risk against the functional currency.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



(ii) Price risk

The Fund is exposed to equity securities price risk because of investments held by the Fund and classified on the Statement of Financial Position either as available-for-sale or at fair value through profit or loss. The Fund is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits and policies set by the Fund's board and Finance Committee.

The Fund's investments in equity of other entities that are publicly traded on the Stock Exchange of Mauritius – SEMDEX.

(iii) Credit risk

Credit risk is managed on accounts receivable balances. The Loans Committee is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding loans and receivables and committed transactions.

If loans customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board and loans committee. The utilisation of credit limits is regularly monitored by the Loans Committee.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties except for those for which provision for impairment has been made.

Some of the specific control and mitigating measures are outlined below:

(I) Collateral

The Fund employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of securities for funds advances, which is common practice. The Fund implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

Mortgages over land and other properties

Bank deposits taken as guarantees

Lien placed on car

Longer term finance such as education loans are secured loans on mortgages over land and other properties. For Soft and Welfare loans one or two guarantors with sufficient credit worthiness are required to process the respective applications.

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



Collateral held as security for loans and receivables to customers depends on the nature of the types of loans granted. In addition the Fund will seek additional collateral from the counterparty as soon as impairment is identified for the relevant loans and advances.

(II) Impairment and provision policy

The internal and external rating system focus on expected credit losses, that is, taking into account the risk of future events giving rise to losses. Impairment allowances are recognized for financial reporting purposes only for losses that have been incurred at the reporting date based on objective evidence of impairment.

The table below shows the ratings of the loans and receivables credit risk exposure and corresponding percentage impairment allowance:

	2019/20		2020/21	
	Credit risk exposure (%)	Impairment allowance (%)	Credit risk exposure (%)	Impairment allowance (%)
Investment grade	1	-	3	-
Standard monitoring	86	-	89	-
Special monitoring	10	-	7	-
Default	3	100	1	100
	-----	-----	-----	-----
	100	100	100	100
	=====	=====	=====	=====

Loans and receivables are summarized as follows:

	2019/20	2020/21
	Rs	Rs
Neither Past Due nor impaired	1,507,206,180	1,330,630,297
Past Due but not impaired	179,809,600	108,104,620
Individually impaired	44,983,133	39,128,772
	-----	-----
Gross	1,731,998,913	1,477,863,689
Impairment allowance	(42,324,194)	(38,239,691)
	-----	-----
Total	1,689,674,719	1,439,623,998
	=====	=====

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021

Loans and receivables neither past due nor impaired

Type of loans	Car loan	MES exams fees loan	Motor cycle loan	Education loan	Welfare loan	Loan for people with disabilities	Medical Loan	Green Loan	Other loans	Total loans
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
30 June 2020										
Investment grade	2,470,000	11,122	-	15,098,100	2,360,000	-	220,000	-	-	20,159,222
Standard monitoring	78,879,754	21,808	15,271,920	1,177,466,994	160,624,690	9,303,669	13,270,026	28,828,973	3,379,124	1,487,046,958
Total	81,349,754	32,930	15,271,920	1,192,565,094	162,984,690	9,303,669	13,490,026	28,828,973	3,379,124	1,507,206,180
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
30 June 2021										
Investment grade	-	-	170,000	11,189,778	6,425,000	-	-	250,000	-	18,034,778
Standard monitoring	65,134,303	38,006	9,350,045	1,064,060,688	127,716,660	7,546,363	13,975,081	23,024,883	1,749,490	1,312,595,519
Total	65,134,303	38,006	9,520,045	1,075,250,466	134,141,660	7,546,363	13,975,081	23,274,883	1,749,490	1,330,630,297

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021

Loans and receivables past due but not impaired

Late processing and other administrative delays on the side of the borrower can lead to a financial asset being past due but not impaired. Therefore loans and receivables less than 90 days past due and those which demonstrate regular pattern of repayments are not considered impaired, unless other information is available to indicate the contrary. Gross amount of loans and advances by class to customers that were past due but not impaired are as follows:

Type of loans	Car loan	MES exams fees loan	Motor cycle loan	Education loan	Welfare loan	Loan for people with disabilities	Medical Loan	Green Loan	Other loans	Total loans
30 June 2020	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Past due up to 1 Year	12,093,232	14,436	4,103,455	103,179,807	33,310,101	786,958	1,473,883	6,119,132	-	161,081,004
Past due 2 to 3 Years	140,706	5,083	210,373	8,318,867	1,649,997	-	137,873	135,409	-	10,598,308
Past due beyond 3 Years	109,322	-	-	8,020,966	-	-	-	-	-	8,130,288
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
	12,343,260	19,519	4,313,828	119,519,640	34,960,098	786,958	1,611,756	6,254,541	-	179,809,600
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
	Car loan	MES exams fees loan	Motor cycle loan	Education loan	Welfare loan	Loan for people with disabilities	Medical Loan	Green Loan	Other loans	Total loans
30 June 2021	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Past due up to 1 Year	6,871,980	5,351	1,762,907	56,677,553	13,321,538	869,361	449,201	3,855,742	-	83,813,633
Past due 2 to 3 Years	320,063	-	278,361	9,477,896	2,414,865	-	155,637	1,053,297	-	13,700,119
Past due beyond 3 Years	109,322	-	-	9,687,403	531,793	262,350	-	-	-	10,590,868
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
	7,301,365	5,351	2,041,268	75,842,852	16,268,196	1,131,711	604,838	4,909,039	-	108,104,620
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021

Impairment allowance for loans and receivables individually impaired

The individually impaired allowance to customers taking into consideration the cash flows from collateral held is Rs42,324,194 as at June 2021. (2019/20- Rs38,239,691)

The reconciliation of individually impaired allowance by class are as follows:

Types of loans	Car loan	MES exam fee loan	Motor cycle loan	Education loan	Welfare loan	Disability	Green loan	Total loans
30 June 2020	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Impairment allowance	(4,276,833)	(35,708)	(964,389)	(25,244,866)	(11,009,647)	(282,034)	(510,717)	(42,324,194)
Release / Charge for the year (2)	104,172	7,737	134,612	2,153,427	1,088,234	282,034	314,287	4,084,503
30 June 2021								
Impairment allowance (1)	(4,172,661)	(27,971)	(829,777)	(23,091,439)	(9,921,413)	-	(196,430)	(38,239,691)

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



7. EMPLOYEES REAL ESTATE INVESTMENT TRUST

Following an amendment of the Employees Welfare Fund Act in 2004 (Section 10A of EWF Act refers) a sum of Rs350million was transferred to Employees Real Estate Investment Trust (EREIT) on 13 May 2005. The transfer was made in cash amounting to Rs100 million and through transfer of Treasury Bills amounting to Rs250million. In consideration of the Rs350million transferred, EREIT had to issue to every person who was an employee as at 30 June 2004 one unit in the Trust.

8. IN HOUSE LOAN COVER SCHEME

The purpose of setting up this scheme is to provide a cover in case of death or total and permanent disability of either the borrower during the period of loan or the student, for whom the loan is taken, during the period of study. With effect from November 2005, all new applicants are strongly recommended to take a cover either in-house or from other insurance companies. A contribution of 1.5 per cent of the loan amount was required to join the scheme prior November 2007; thereafter the rate has been revised taking into consideration the age of the borrower.

During the financial year ending 30 June 2021, an amount of Rs3,847,812 was written off under the scheme.

9. LOAN WRITTEN OFF

It is the policy of the Fund to write off education and exam fee loan in case of death of a client who does not have any cover, on a case to case basis, after a social inquiry report is obtained from the Ministry of Social Security on the financial situation of his/her beneficiaries. The amount of write off is restricted to 50 per cent of the outstanding loan amount, excluding any arrears, up to a limit of Rs 100,000 for education loans and 100 per cent write off for exams fee loan.

10. OTHER NON-CURRENT ASSETS

As at 30 June 2021, some properties given as security for education loan were acquired through legal actions against defaulting clients. These assets have classified under non-current as the probability of its disposal in the next financial year is very low. It is the Fund's policy to dispose such assets through auction or invitation to bid or other medium as deemed appropriate by the EWF Board. The fair value of these assets which is an estimate of the current market value is recognized in the financial statement only when ownership is passed to the Fund. Revaluation of such assets is carried out every seven years.

11. PROVISIONS

A provision is recognized when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2021



Loans and receivables which have past due but not impaired

The Fund's policy is to make a provision of 5 per cent on loans and receivables which have past due but not impaired.

Trade and other receivables

Existing Provisions and Write off

During the financial year the EWF's Board approved to write off an amount of Rs43.2m due from a former hotel operator since year 2015 against the cumulative provision for bad debts. At the reporting date, the provision for bad debts amounts to Rs1,500,000 due from tour operators since the outcome and the likelihood of recovery out of legal proceeding is still uncertain.

New Provisions

The Covid-19 pandemic had an adverse impact in the hotel industry and hotel operator made a proposal for reduced fees to be paid post covid period as from May 2020. The proposal is being considered by EWF Board and an amount of Rs11,328,000 has been provided fees receivable from hotel operator for the current financial year.

12. TRANSFER OF OPERATING SURPLUS

As per Section 4C of the Statutory Bodies (Accounts and Audit) Act, *where the financial statements of the statutory body show an operating surplus or accumulated revenue reserve, the Board shall, at the request of the Minister to whom responsibility for the subject of finance is assigned, remit the surplus or accumulated revenue reserve into the Consolidated Fund or invest in Treasury Certificates or other Government securities*, so far, there has been no request from the Ministry of Finance, Economic Planning and Development to remit surplus or accumulated revenue reserves to the consolidated fund or invest in treasury certificates or other government securities.

13. CONTINGENCIES

At the reporting date, there were two cases pending at court awaiting hearing for trial. According to management, these cases are not expected to have significant impact on the financial statements ended 30 June 2021.

Employees Welfare Fund

Notes to and forming part of the financial statements
For the year ended 30 June 2021



14 Cash and cash equivalents	2020/21 Rs	Restated 2019/20 Rs
Cash at bank	813,066,612	428,204,114
Cash in hand	1,501	4,486
	<u>813,068,113</u>	<u>428,208,600</u>
15 Trade and other receivables		
Interest receivable - overdue loan instalments	14,058,388	15,367,059
Interest receivable - PSSA examination fees	22	22
Loan to staff	2,833,706	5,405,213
Prepayments	265,160	484,439
Deposit for Locker	25,000	25,000
DBM- Rodrigues Book Loan Scheme	2,500	2,500
NIT Loan Scheme	45,200	45,200
Advances CSM	-	500,000
Debtors EX-CSM Operation	3,306,863	3,306,863
Other receivable - LIM China Master Fund SPC	424,131	-
Rent Receivable from investment property		
Commission receivable FEF	-	3,067,972
Rent receivable -Alliance Hotels	-	43,200,000
Rent receivable - Sealife Resort and Spa	31,416,000	18,488,408
Provision for bad debts - rent and tour operators	(12,828,000)	(47,767,972)
	<u>39,548,970</u>	<u>42,124,704</u>

16 Financial assets

The fair value of quoted investments are based on quoted prices as balance sheet date

	2020/21 Rs	2020/21 Rs	2020/21 Rs	2019/20 Rs
	CURRENT	NON-CURRENT	TOTAL	TOTAL
Investment securities at fair value through surplus or deficit	-	35,472,349	35,472,349	24,193,226
Held to maturity investment securities	-	-	-	74,074,500
Loans and receivables	365,668,580	1,070,010,839	1,435,679,419	1,685,621,738
	<u>365,668,580</u>	<u>1,105,483,188</u>	<u>1,471,151,768</u>	<u>1,783,889,464</u>
a Investment securities at fair value through surplus or deficit				
Local equity securities - Unquoted	-	22,029,916	22,029,916	21,851,317
Foreign investment securities	-	13,442,433	13,442,433	2,341,909
	<u>-</u>	<u>35,472,349</u>	<u>35,472,349</u>	<u>24,193,226</u>
b Held to maturity investment securities				
Treasury Bills	-	-	-	74,074,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,074,500</u>
c Loans and receivables				
Education loan scheme	242,815,034	932,599,324	1,175,414,358	1,340,048,537
MES exams fees loan	58,272	13,051	71,323	87,929
Welfare loan	69,904,800	89,159,547	159,064,347	208,167,305
Car loan	29,415,834	48,077,399	77,493,233	98,859,559
Motorcycle loan	6,326,558	5,961,621	12,288,179	20,446,682
Disability loan	2,246,416	6,431,659	8,678,075	10,352,978
Green Loan	11,445,629	17,079,130	28,524,759	35,555,017
Medical Loan	2,969,759	11,610,161	14,579,920	15,101,782
Other loans (PRB Car Loan Scheme)	486,278	1,263,212	1,749,490	3,379,124
	<u>365,668,580</u>	<u>1,112,195,104</u>	<u>1,477,863,684</u>	<u>1,731,998,913</u>
Loan Repayment Control	-	(2,152,191)	(2,152,191)	(2,328,270)
Provisions	-	(1,792,381)	(1,792,381)	(1,724,711)
Impairment allowance	-	(38,239,693)	(38,239,693)	(42,324,194)
	<u>365,668,580</u>	<u>1,070,010,839</u>	<u>1,435,679,419</u>	<u>1,685,621,738</u>

17 Other current/non current assets

	2020/21 Rs	2020/21 Rs	2020/21 Rs	2019/20 Rs
	CURRENT	NON-CURRENT	TOTAL	TOTAL
Land acquired through judicial action	-	1,300,001	1,300,001	1,300,001
	<u>-</u>	<u>1,300,001</u>	<u>1,300,001</u>	<u>1,300,001</u>

Employees Welfare Fund

Notes to and forming part of the financial statements
For the year ended 30 June 2021

18 Investment property

As at 30 June 2021						
	Seaview Calodyne Lifestyle Resort (SCLR)					
	Land	Buildings	Plant and equipment	Furniture and fittings	Computer	Total
COST OR VALUATION						
COST - Brought forward	110,925,000	194,619,218	49,730,260	54,032,703	1,953,208	411,260,389
Additions during the year		692,760	79,005	-	-	771,765
Adjustment to revaluation of asset						-
Disposal of Assets						-
Total Cost	110,925,000	195,311,978	49,809,265	54,032,703	1,953,208	412,032,154
DEPRECIATION - Brought forward						
Charge for the year	-	11,300,384	46,141,916	43,377,830	1,953,208	102,773,338
Prior Year Adjustment		3,906,240	1,401,445	1,702,278	-	7,009,963
Disposals during the year						-
Depreciation Adj - on Revaluation of Asset						-
Accumulated Depreciation at year end	-	15,206,624	47,543,361	45,080,108	1,953,208	109,783,301

Net Book Value at 30 June 2020

110,925,000 183,318,834 3,588,344 10,654,873 - 308,487,051

Net Book Value at 30 June 2021

110,925,000 180,105,354 2,265,904 8,952,595 - 302,248,853

19 Investment in securities - Equity method

Local equity securities - Listed
- Unquoted
Foreign investment securities

	2020/21		2020/21		2020/21		Restated 2019/20	
	Rs	CURRENT	Rs	NON CURRENT	Rs	TOTAL	Rs	TOTAL
	-	-	-	118,559,994	-	118,559,994	-	103,071,314
	-	-	-	54,849,377	-	54,849,377	-	42,905,576
	-	-	-	197,870,619	-	197,870,619	-	160,622,246
	-	-	-	371,279,990	-	371,279,990	-	306,599,136

Employees Welfare Fund

Notes to and forming part of the financial statements
For the year ended 30 June 2021



20 Infrastructure, plant & equipment - 2020/21

COST - Brought forward
Additions during the year
Revaluation of Asset
Disposal of Assets
Prior Year Adjustment
Total Cost

DEPRECIATION - Brought forward
Charge for the year
Depreciation Adj. - on Revaluation of Asset
Depreciation de-recognised on disposal
Prior Year Adjustment
Accumulated Depreciation at year end

Net Book Value at 30 June 2020
Net Book Value at 30 June 2021

Building	EWF				RODRIGUES				TOTAL	
	Plant and equipment	Computer equipment	Furniture and fittings	Electronic equipment	Service concession assets	Computer	Plant & Equipment	Furniture and fittings	EWF Land	Rs
54,525,000	1,323,750	16,836,351	4,927,958	618,563	40,928,481	127,630	17,700	123,308	33,020,000	152,448,741
-	69,920	876,786	8,050	4,655	564,000	45,195	-	-	-	1,568,606
-	-	(30,998)	-	(11,490)	(8,050)	-	-	-	-	(42,488)
54,525,000	1,393,670	17,682,138	4,936,008	611,728	41,484,431	172,825	17,700	123,308	33,020,000	153,966,808
3,271,500	1,000,277	16,697,293	3,086,475	555,859	40,145,564	127,630	3,425	87,787	-	64,975,810
1,090,500	122,913	399,954	299,342	55,764	321,496	15,063	1,438	6,227	-	2,312,697
-	-	(30,998)	-	(5,745)	-	-	-	-	-	(36,743)
4,562,000	1,123,191	17,066,248	3,385,817	605,878	40,467,060	142,693	4,863	94,014	-	67,251,764
51,253,500	323,473	139,058	1,841,483	62,704	782,917	-	14,275	35,521	33,020,000	87,472,931
50,163,000	270,479	615,890	1,550,191	5,850	1,017,371	30,132	12,838	29,294	33,020,000	86,715,044

21 Intangible Assets - 2020/21

COST - Brought forward
Additions during the year
Total cost

DEPRECIATION - Brought forward
Charge for the year
Accumulated depreciation at year end

Net Book Value at 30 June 2020
Net Book Value at 30 June 2021

Application Software	Total Rs
33,788,184	33,788,184
-	-
33,788,184	33,788,184
33,376,058	33,376,058
347,438	347,438
33,723,496	33,723,496
412,126	412,126
64,688	64,688

Employees Welfare Fund

Notes to and forming part of the financial statements
For the year ended 30 June 2021

		2020/21	Restated 2019/20
		Rs	Rs
22 Trade and other payables			
Creditors		7,850,872	2,260,326
Payables - Deposits - Calodyne Seaview Lifestyle Resort (CSLR)		-	12,000,000
		7,850,872	14,260,326
23 Deferred income			
Deferred revenue		65,343	91,218
24 Employee benefits obligation			
	Current Liabilities	Non Current Liabilities	TOTAL
Bank sick leave	255,053	5,416,278	5,671,331
Provision for retirement benefits	-	23,800,306	23,800,306
Provision for passage credits	-	1,535,709	1,535,709
Bank vacation leave	-	4,750,065	4,750,065
	255,053	35,502,358	35,757,411
			26,433,444

Employee leave entitlement

Employee entitlements to bank sick leaves and vacation leaves as defined in the PRB 2016 Report (the regulatory body for determining remuneration of EWF employees) are recognized when they accrue to employees. An accrual amount of Rs10,421,397 has been made for the estimated liability for bank sick leave and vacation leaves as at 30 June 2021.

Defined retirement benefits scheme

The pension plan is a final salary defined benefit plan for the staff and is wholly funded. The assets in the funded plan are held independently and are administered by the SICOM.

The following employee benefits information is based on the report submitted by the SICOM.

	2020/21	Restated 2019/20
	Rs	Rs
(i) Amounts recognised in the balance sheet		
Present value of funded obligation	39,056,967	33,181,816
Fair Value of plan assets	(15,256,661)	(18,467,661)
Liability recognised in the balance sheet at end of year	23,800,306	14,714,155
(ii) Amounts recognised in income statement		
Service Cost	Rs	Rs
Current Service Cost	1,231,398	1,330,644
Past Service Cost	-	-
Employee contributions	(444,035)	(520,905)
Fund expenses	64,191	79,562
Net interest expense/revenue	616,815	287,092
P & L Charge	1,468,369	1,176,393
Remeasurement		
Liability (gain)/loss	8,670,997	7,017,327
Assets (gain)/loss	(91,140)	(633,740)
Net Assets/Equity (NAE)	8,579,857	6,383,587
Total Included in staff costs	10,048,226	7,559,980

Employees Welfare Fund

Notes to and forming part of the financial statements
For the year ended 30 June 2021

	2020/21	Restated 2019/20
	Rs	Rs
(iii) Movements in liability recognised in balance sheet		
At start of year : 1st July	14,714,155	8,282,802
Amount recognised in P& L	1,468,369	1,176,393
(Contributions paid by employer)	(962,075)	(1,128,628)
Amount recognised in NAE	8,579,857	6,383,588
At end of year : 30 June	23,800,306	14,714,155

(iv) The figures have been arrived at by using actuarial assumptions as follows:

Discount rate	5.00%	3.70%
Expected rate of return on plan assets	5.00%	3.70%
Future salary increases	3.00%	2.40%
Future pension increases	2.00%	1.40%

Reconciliation of the present value of defined benefit obligation

	Rs	Rs
Present value of obligation at start of period	33,181,816	24,452,008
Current service cost	1,231,398	1,330,644
Interest cost	1,227,727	904,724
(Benefits paid)	(5,254,971)	(522,887)
Liability(gain)/loss	8,670,997	7,017,327
Present value of obligation at end of period	39,056,967	33,181,816

Reconciliation of fair value of plan assets

Fair value of plan assets at start of period	18,467,661	16,169,206
Expected return on plan assets	610,912	617,632
Employer contributions	962,075	1,128,628
Employee contributions	444,035	520,905
Actuarial reserves transferred in	-	-
Fund expenses	-	-
(Benefits paid+other outgo)	(5,319,162)	(602,449)
Asset gain/(loss)	91,140	633,740
Fair value of plan assets at end of period	15,256,661	18,467,662

Distribution of plan assets at end of period

Percentage of assets at end of year		
Government securities and cash	54.80%	61.70%
Loans	2.80%	3.00%
Local equities	11.80%	10.10%
Overseas bonds and equities	30.10%	24.60%
Property	0.50%	0.60%
Debenture stocks		
Total	100%	100%

Additional disclosure on assets issued or used by the reporting entity

Percentage of assets at end of year	(%)	(%)
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0

Employees Welfare Fund

Notes to and forming part of the financial statements
For the year ended 30 June 2021

	2020/21	Restated 2019/20
	Rs	Rs
Components of the amount recognised in NAE		
Year	Jun-21	Jun-20
Currency	Rs	Rs
Asset experience gain/(loss) during the period	91,140	633,740
Liability experience gain/(loss) during the period	(8,670,997)	(7,017,327)
	(8,579,857)	(6,383,587)
Year 2021/2022		
Expected employer contributions - Rs 962,720		
Weighted average duration of the defined benefit obligation	18 years	
25 In House Loan Cover Scheme		
Opening balance	72,936,298	68,175,976
Premium collected during the year	3,957,967	6,982,624
Premium collected during the year - staff loan	1,500	15,100
Loan written off	(3,847,812)	(2,237,402)
Closing balance	73,047,953	72,936,298
26 Capital and reserves		
(a) General fund		
General fund as at 1 January	2,603,831,375	2,553,352,948
Increase/decrease in fair value of investment securities	64,764,016	(43,680,617)
Movement in AFS equities	-	-
Movement in general fund	-	-
Actuarial Gain/Loss on employee benefits obligation	(8,579,857)	(6,383,588)
Surplus for the year	67,698,962	100,542,632
At 31 December	2,727,714,496	2,603,831,375
(b) Contributions		
<i>As per section 10 (2) (a) EWF's Act 1995, an amount of Rs 633,861,519 was received. No further contributions have been received.</i>		
(c) Investments		
<i>As per section 10 (2) (b) EWF's Act 1995, all investments made by EWF have been made out of the contributions received as per paragraph (b) above.</i>		
(d) Lump sum paid		
<i>As at 30 June 2021, an amount of Rs 4,049,388 has been paid to retired employees as per section 17 (2) EWF's Act 1995</i>		
<i>In the same context, there exists a potential liability to refund those employees who have contributions and have retired between the period 1 July 1991 to 30 June 1994. Given that a list of such employees cannot be obtained, a reliable estimate for the potential liability cannot be made.</i>		
27 Reserves		
Opening reserves	240,941,352	240,941,352
Movement in reserves	-	-
	240,941,352	240,941,352
28 Interest income		
Loan schemes	91,081,283	106,759,498
29 Investment revenue (expense)		
Local equity	1,163,369	6,395,598
Placement in banks and local financial institution	1,766	10,946
Foreign securities	952,614	3,113,784
Gains (losses) on FVPL investment	377,135	(2,013,728)
	2,494,884	7,506,600

Employees Welfare Fund

Notes to and forming part of the financial statements
For the year ended 30 June 2021

	2020/21	Restated 2019/20
	Rs	Rs
30 Other revenue		
Rental income from investment property	26,928,000	26,928,000
Administrative fees	2,669,734	2,652,744
Decrease in Provision - Impairment	4,084,501	
Disposal of Assets	480,328	660,654
Other Miscellaneous revenue	287,563	2,328,985
	<u>34,450,126</u>	<u>32,570,383</u>
31 Administrative expenses		
Fees to board members	2,680,645	2,261,120
Electricity and telephone	1,490,243	1,456,700
Repairs and maintenance	1,261,251	1,219,095
Donation and sponsorship	1,000,000	20,000
Legal and professional fees	767,593	1,440,846
Postage, stationary and I.T expenses	7,363,876	6,494,731
Insurance of office	56,418	65,024
Training, seminars and membership fees	48,000	152,600
Financial assistance	175,000	200,000
Other administrative expenses	1,642,028	2,530,702
Provision - Out of court Settlement	5,239,680	-
Professional Fees	517,500	659,127
	<u>22,242,234</u>	<u>16,499,945</u>
32 Staff costs		
Salaries	18,481,076	20,138,196
Allowances and overtime	1,498,173	1,671,271
	<u>19,979,249</u>	<u>21,809,467</u>
33 Employees benefits expenses		
Pension contribution	2,948,564	2,482,412
Passage benefits	572,726	575,686
Provision for Retirement benefits and vacation leaves	1,903,558	864,210
Provision for sick leaves	957,410	544,207
	<u>6,382,258</u>	<u>4,466,515</u>
34 Depreciation and amortization expense		
Infrastructure, plant and equipment	2,312,697	2,891,986
Intangible Assets	347,438	1,600,564
Investment property	7,009,963	7,005,911
	<u>9,670,098</u>	<u>11,498,461</u>
35 Provisions and write offs		
Provisions for credit losses - arrears	67,670	130,810
Impairment of loan	-	468,606
Provision for bad debts - rent	11,328,000	9,567,972
	<u>11,395,670</u>	<u>10,167,388</u>
36 Welfare activities		
Welfare activities expenses	150,161	159,605
	<u>150,161</u>	<u>159,605</u>
37 Exchange differences		
Gain / (Loss) on exchange on financial assets	9,492,339	18,307,532
38 Gain / (Loss) in fair value of securities		
Gain / (Loss) in fair value of securities	64,764,016	(43,680,617)
39 Related party transactions		
Education loan		
- Board members	1,126,638	1,586,917
Staff car loan		
- Management staff	1,402,260	3,349,124
	<u>2,528,898</u>	<u>4,936,041</u>