

EW F

EMPLOYEES WELFARE FUND

# ANNUAL REPORT

Financial year 2021-2022



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## 1.0 Corporate Profile

The Employees Welfare Fund (EWF) is a public body 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

I am delighted to present to you the 30th Annual Report and Audited Financial Statements of the Employees' Welfare Fund (EWF) for the Financial Year ended 30 June 2022.

I reiterate this year that the Fund will stay focused on its main objective, that is, to increase accessibility and efficiency of the facilities being offered to a larger number of employees and their families.

During the year 2021, the EWF loan facilities which have been and remains one of the Fund's main activities were revisited and the following decisions were taken with regards to loan schemes:

- Education Loan was reduced from 5 % to 4% for loan amount Rs 1M and for the second Rs 1M from 7% to 6%;
- Repayment period for the Education Loan was increased to 20 years to reduce amount refunded per month thus increasing the number of eligible borrowers with repayment capacity;
- The welfare Loan was re-invented and is now known as Multipurpose Loan with a ceiling reviewed upwards from Rs 300,000 to a maximum of Rs 500,000;
- The Interest rate for the above-mentioned scheme was reduced from 7% to 6.5% per annum and;
- Repayment period increased to 10 years.

However, above measures did not yield the expected growth impact and I sincerely believe that we have to adjust the sail for the sustainability of the EWF in the long term. A proactive approach must be adopted to understand what changes will occur and be ready to adjust our products, services and strategies quickly to meet current and future customer needs.

### 3.1 The Road Ahead

An organization's success is not mapped by its performance alone. In a difficult business environment, which FY 21 definitely was, it is also a measure of a company's ability to adapt to the transforming environmental, economic, social and governance system. It is defined by the speed and agility with which an organization aligns itself to the new systems and processes.

We have come a long way in our journey, but we know we must continue on the path of sustainable welfare into the future, which will shape our next strategic plan for 2023 and beyond. We are

confident that this inspiring process will lead to a bold and transformative vision for Employees' Welfare Fund. We shall continue to serve our community by providing the best of ourselves.

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).

In line with the Sustainable Development Goals (SDGS), Goal 3, which is, ensuring healthy lives and promote well-being for all at all ages (for sustainable development), and as Chairman, my immediate objective is to increase the hit rate of the Fund in 2022/23 through a continuous national awareness campaign on sustainable health, quality of life and drug free society. The EWF will partner with the Ministry of Health and quality of life, other ministries, NGOS and the private sector to organize and implement a sustainable awareness campaign at national level starting from preprimary, primary, secondary and tertiary institutions in Mauritius and Rodrigues. We shall also target Ministries, corporates and senior citizens associations. My wish that the EWF has a dedicated unit within the Fund for the smooth running of the welfare projects.

### 3.2 Conclusion

To conclude I wish to reassure our stakeholders that we are looking optimistically into the future. On behalf of the EWF Board I wish to express my sincere gratitude to our customers, employees, the Government through our parent Ministry, our business partners, and all stakeholders for their ongoing trust and support.

We are excited to continue our journey of successful, trustful, and sustainable collaboration with you for the years to come.



## 4.0 Acting General Manager's Message

It is with immense pleasure and honor that I am presenting the Annual Report of the Employees' Welfare Fund (EWF) for the 12 months period ended 30 June 2022 in compliance with International Public Sector Accounting Standards (IPSAS) as recommended by the Statutory Bodies (Accounts and Audit) Act 1972 (amended).

The first six months of the financial year 2021/2022 was particularly marked with lots of uncertainties due to increasing COVID-19 cases. However, the economy recovered quickly with the easing of pandemic restrictions in 2022. The Key Repo Rate was kept at 1.85% during the first half of the financial year and was increased gradually to 2% and 2.25% in March and June 2022, respectively. In such difficult conditions, the Fund managed to grow by 1.2%.

The main activity of the Fund remained the provision of loan schemes. However, in the wake of the pandemic and the uncertain economic conditions, the loan schemes had to be adapted to respond to the changes in the loan market. A new loan scheme - the Multipurpose Loan was introduced to better respond to the demand of our clients with new better terms such as reduced interest rate, higher loan ceiling and lengthened repayment period. EWF continued to provide more flexibilities to its customers, in cases of financial distress. Nevertheless, in a bid not to overburden the clients, the credit assessment principle was also reviewed cautiously to ensure that client will be capable of repaying their debts when falling due.

EWF is looking forward to develop new strategies through a corporate plan with particular attention to its mandate to provide welfare schemes to its members. The EWF is very much concerned towards its responsibilities pertaining to the Environmental, Social and Governance requirements.

I would like to seize this opportunity to thank the entire EWF's staff for their contribution and dedication to achieve results in difficult conditions especially with some key posts which remained vacant. We are also thankful to the EWF Board of Directors for their continued support to staff.

## 5.0 Report on Performance

### 5.1 Financial Overview

The growth of the Fund during the financial year 2021/2022 was 1.2% as compared to 4.0% 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 2022 stood at Rs2.99 billion.

The Net Surplus for the period amounted to Rs65.2m as compared to Rs57.4m representing an increase of 13.6% which is due to lower administrative expenses.

	2020 / 2021 (restated)	2021 / 2022	Inc/ (Dec)
<b>Operating Surplus</b>	57,134,312	52,219,737	-9%
<b>Net Surplus</b>	57,462,357	65,234,580	13.5%
<b>Fund Value</b>	2,957,699,330	2,993,344,926	1.2%

### 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 2021/2022 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 Multipurpose Loan Scheme, the Car Loan Scheme, the Loan for People with Disabilities Scheme, and the Medical Loan Scheme.

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

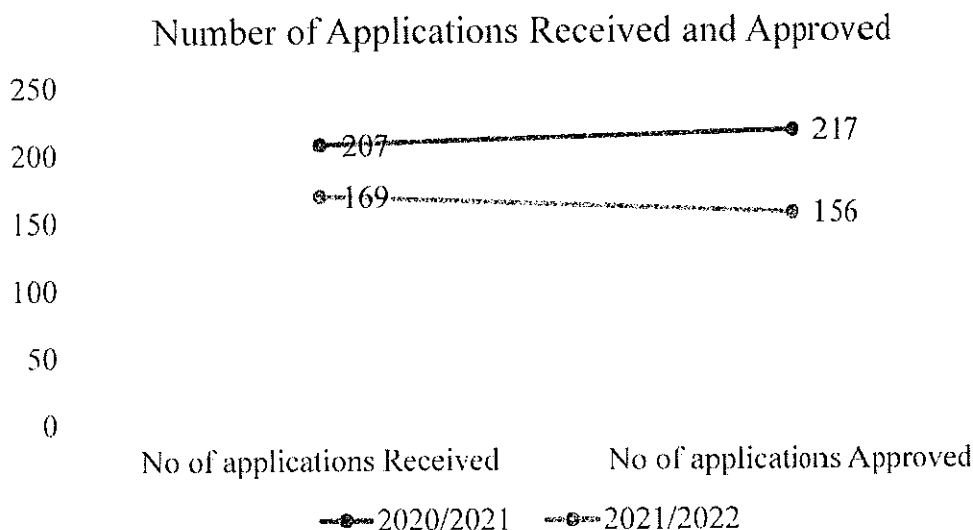
The Education Loan Scheme, introduced in 1995, remains one of the main loan schemes of the Fund. It is among the most competitive education loan scheme in the market with low interest rate and administrative cost.

The Covid-19 pandemic and the introduction of free higher education in public Tertiary Education Institutions have continued to impact negatively on the demand for education loan. Moreover, with the change in the school calendar, there was no demand for SC/HSC Examination Fees Loan Scheme during this financial year.

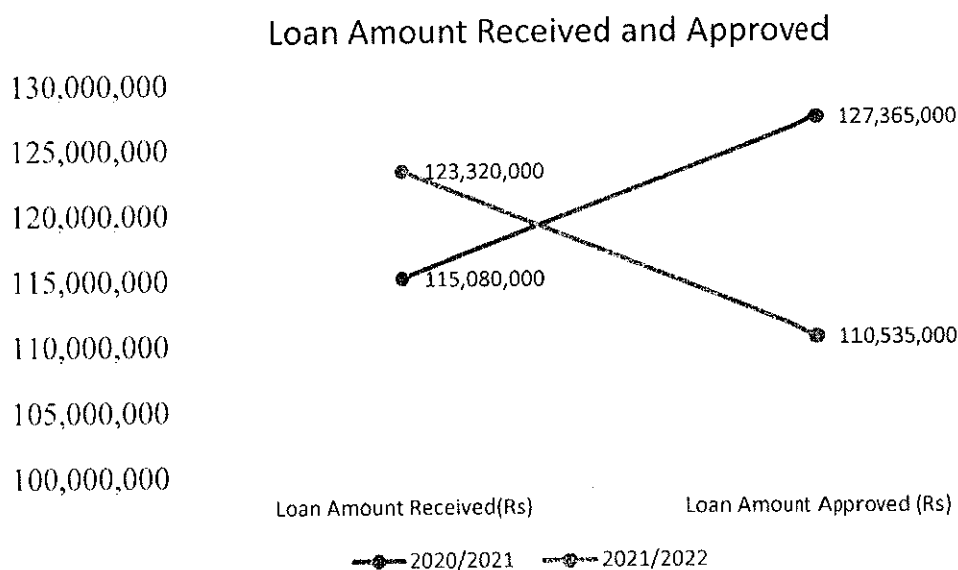
Though the interest rates for education loans have been reviewed to 4% from 5% for loans up to Rs1m and to 6% from 7% for loans between Rs1m to Rs2m, as from 07 July 2021, the demand for education loan was increased as expected.

For the period July 2021 to June 2022, 169 new applications were received while 156 was approved which also includes pending loan application from previous year.

The chart below shows a comparison on the **number of loan applications** (received and approved) for financial year 2020-2021 and 2021-2022.



The chart below shows a comparison of **the loan amount** (received and approved) for financial year 2020-2021 and 2021-2022.



### 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. Moreover, given that the school calendar was extended for an additional one year, there was no national SC and HSC Examination held in November 2021.

Only one application was received and approved for financial year 2021/2022 for an amount of Rs16,078.

### 5.3.3 Multipurpose Loan Scheme

The Multipurpose Loan Scheme is a new scheme introduced on the 02 August 2021. This scheme merged four EWF's existing loan schemes, ie, the Welfare Loan Scheme, the Car Loan with one guarantor, the Green Loan and the Motorcycle Loan.

Key features of this new scheme are:

- i. Interest rate of 6.5% p.a.  
The interest rate has been reduced to 6.5% as compared to the above mentioned four loan schemes which were 7%.
- ii. Ceiling of Rs500,000.  
The loan ceiling was increased to Rs500,000.
- iii. Refund period of 10 years.
- iv. Re cash of existing EWF Loans is now possible.
- v. Refinancing of existing loans from other institutions is also allowed under this scheme.

The table below shows the number of applications applied and approved for the period ended 30 June 2022.

Multipurpose Loan Scheme	
Loans	2021/2022
No of applications Received	304
No of applications Approved	241
Amount Applied (Rs)	114,365,000
Amount Approved (Rs)	88,970,000
Amount Disbursed (Rs)	77,360,000

### 5.3.4 Loan Schemes replaced by the Multipurpose Loan.

The table below shows the statistics for the month of July 2021 for all the loan schemes that have been replaced by the Multipurpose loan.

The table below shows the number of applications received and approved for the period 01 July 2021 to 31 July 2021.

<b>Jul-21</b>				
	<b>Welfare Loan</b>	<b>Car Loan</b>	<b>Green Loan</b>	<b>Motorcycle Loan</b>
No of applications Received	28	1	6	0
No of applications Approved	27	3	7	0
Amount Applied (Rs)	6,250,000	225,000	990,000	0
Amount Approved (Rs)	5,705,000	720,000	1,265,000	0
Amount Disbursed (Rs)	8,890,000	6,091,600	1,795,000	0

### 5.3.5 Employees Car Loan Scheme

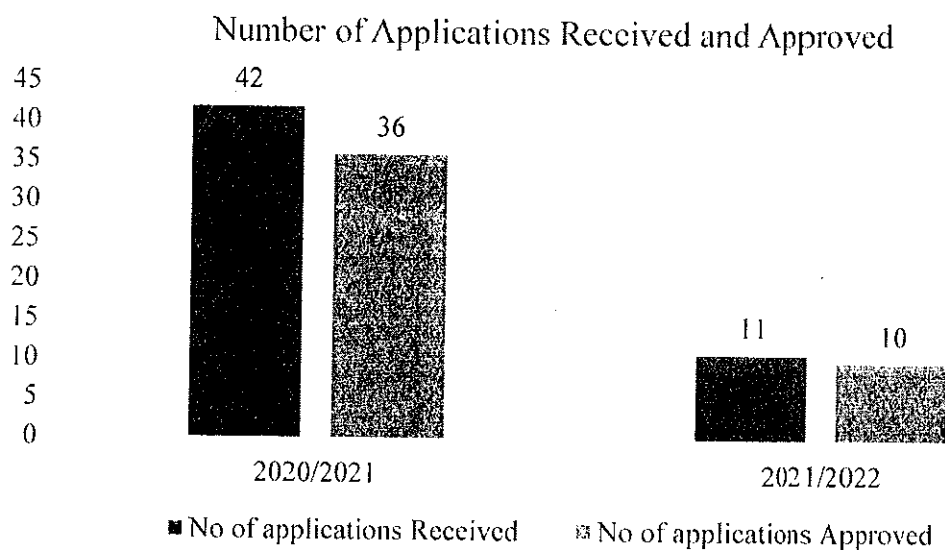
The Car Loan Scheme catered for the purchase of new, reconditioned or second-hand car.

The car loan scheme with one guarantor has been included in the Multipurpose Loan Scheme. Hence, as from the 02 August 2022, the car loan scheme caters only for new and reconditioned cars.

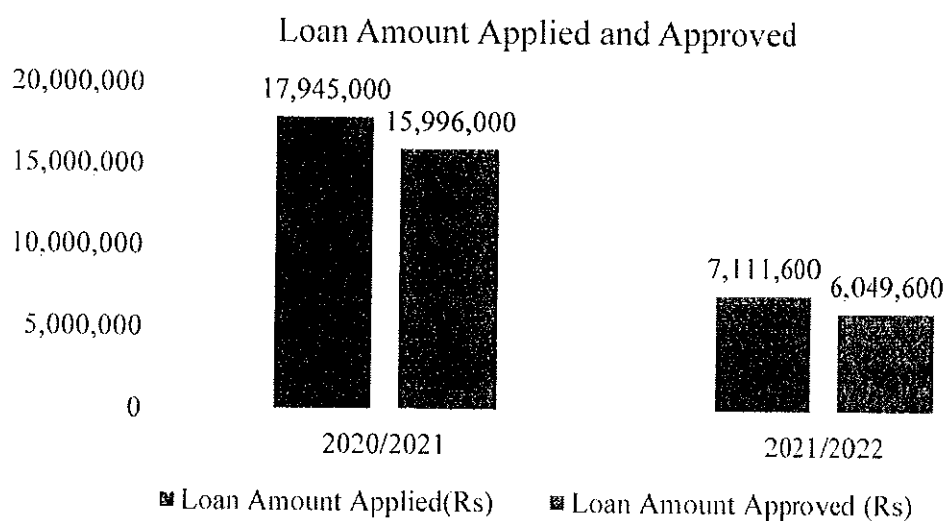
The interest rate was reviewed from 8% to 7% for all car loans in January 2020.

For financial year 2021/2022, 11 applications were received and 10 applications were approved which included previously received loan applications while for financial year 2020/2021, the car loan scheme included second hand cars.

The chart below shows a comparison on number of applications received and approved for financial year 2020/2021 and year 2021/2022.



The chart below shows a comparison on the loan amount applied and approved for financial year 2020/2021 and year 2021/2022.



### 5.3.6 Loan for People with Disabilities Scheme

The EWF's 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 disabilities to finance the 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 2021 to June 2022, we received only 4 applications and all the 4 applications were approved.

The table below shows the loan amount (applied, approved and disbursed) for period ended June 2022 compared to June 2021.

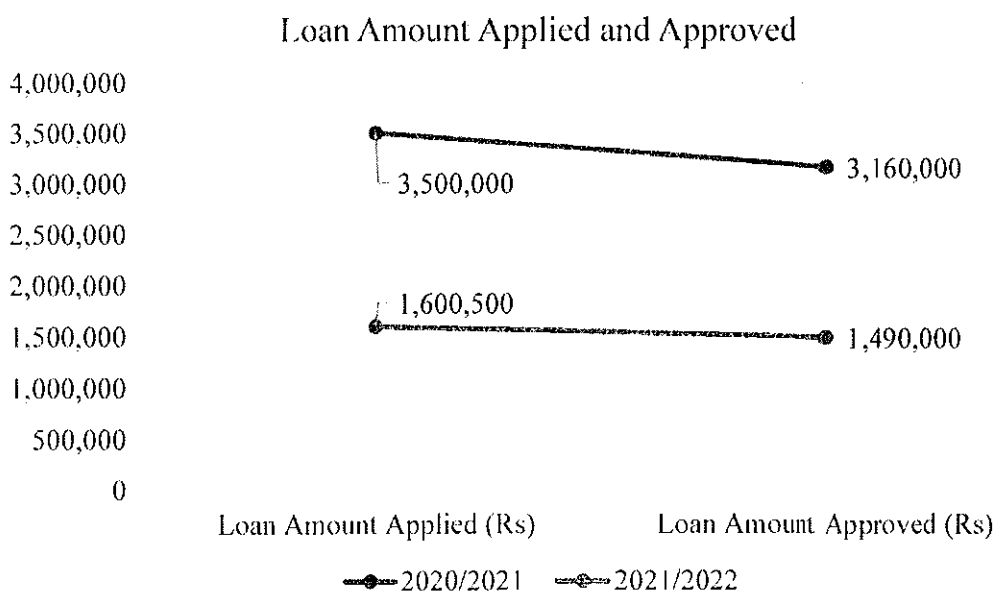
Loan for people with disabilities		
Loans	2020/2021	2021/2022
No of applications Received	4	4
No of applications Approved	3	4
Amount Applied	1,200,000	1,200,000
Amount Approved	900,000	1,200,000
Amount Disbursed	600,000	900,000

### 5.3.7 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.

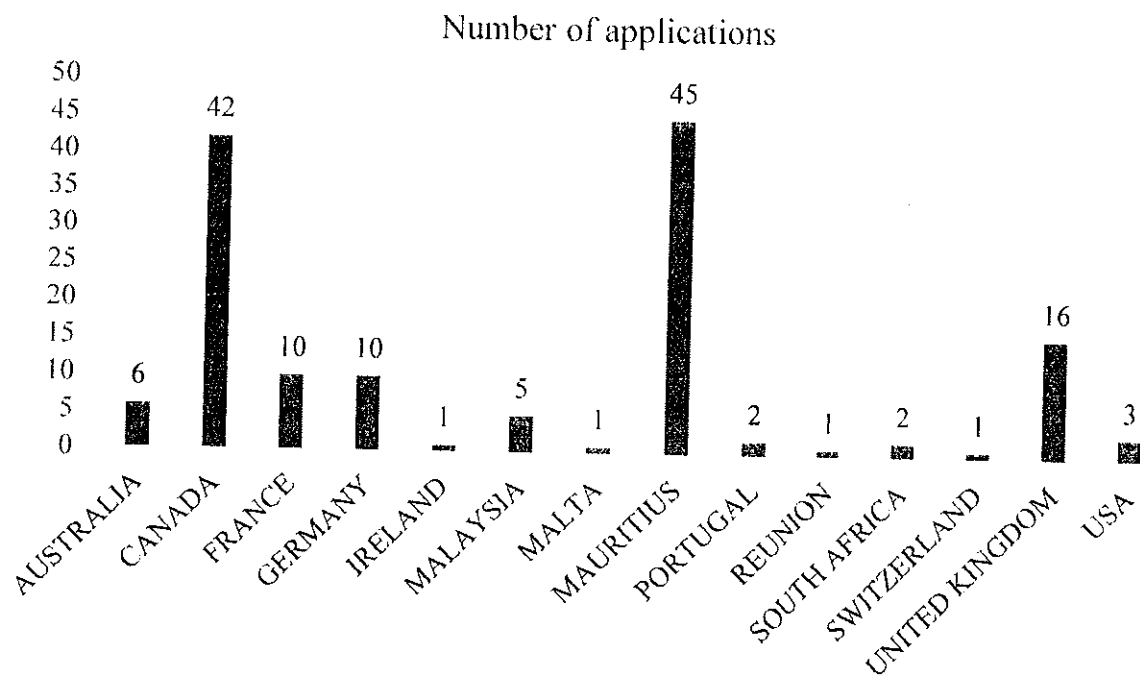
For financial year 2020/2021, we received 14 applications and 13 were approved while for financial year 2021/2022, we received 8 applications and 7 were approved.

The chart below shows a comparison on the loan amount (Applied and Approved) for financial year 2020/2021 and year 2021/2022.





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



### Field of Study and Countries for the year 2021/2022

FIELD OF STUDY/COUNTRY	AUSTRALIA	CANADA	FRANCE	GERMANY	IRELAND	MALAYSIA	MALTA	MAURITIUS	PORTUGAL	REUNION (FR)	S.AFRICA	SWITZERLAND	UK	USA	Grand Total
Accounting and Finance	1	1						4	2					1	9
Biology		3		1											4
Business Adm, Mgt and International Business		3	2	1		1		4			1		2		14
Computer Science, Programming, Networking and Security	1	2				1		2					1		7
cyber security and digital forensics								2							2
Economie		1	2												3
Engineering		5		5		1							1		12
Hotel and Hospitality Mgt	1		1					2							4
Interior Design and graphic Design	1	2				1									4
Law		1						5					7		13
Marketing								3							3
Mathematics		4													4
Medical		2	1	2	1	1	1	2		1				1	11
Others	2	8	3	1				9			1	1	5	1	31
Physics		3													3
Project Management		1						3							4
psychology		1	1					6							8
Software and System Engineering		2						1							3
Sustainable Design and Business Mgt		3						2							5
Grand Total	6	42	10	10	1	5	1	45	2	1	2	1	16	3	145

## 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 Pointe aux Roches, St. Felix and Colline Candos, 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.

Following the outbreak of the COVID-19 pandemic since March 2020 coupled with closure of our borders for, the tourism industry had witnessed an unprecedented contraction in the arrivals of tourist and this has heavily impacted on the operations of the hotel.

Given the fall in business, both EWF and the Operator jointly agreed to undertake some minor renovation works.

The Hotel Management Contract with Operator expired in March 2022 and accordingly the EWF Board has come up with a new business model. A new long term Hotel Management Contract is being envisaged with the actual Operator considering the latter's proposal.

### 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.

Officers from all the different sections of the Police Department use the park for their daily training and physical exercises. 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 2021/2022 compared to period 2020/2021, as illustrated in table below:

PERIOD 2020/2021					PERIOD 2021/2022				
SN	Event Date	Institution	Activity	Status	SN	Date	Institution	Activity	Status
1	12-Sep-20	Centre for Counselling and Mindfulness	Spreading Awareness on Mindfulness	Completed	1	31-Oct-21	Miss Anoushka GOVINDEN	Free Zumba Session	Completed
2	13-Sep-20	Centre for Counselling and Mindfulness	Spreading Awareness on Mindfulness	Completed	2	15-Nov-21	Patten College	SC Physical Education Examination	Completed
3	19-Sep-20	Patten College	SC Physical Education Examination	Completed	3	02-Feb-22	Patten College	SC Physical Education Examination	Completed
4	09-Oct-20	Patten College	SC Physical Education Examination	Completed	4	28-Mar-22	Lycee Labourdonnais	Orientation Race	Completed
5	15-Oct-20	Rotaract Club of Quatre Bornes	Planting of 50 Endemic Plants	Completed	5	04-Apr-22	Patten College	SC Physical Education Examination	Completed
6	21-Nov-20	Advanced Knowledge Hub Ltd	Team Building/Sports Day	Completed	6	08-Jun-22	Patten College	SC Physical Education Examination	Completed
7	17-Dec-20	Lycee Labourdonnais Curepipe	Orientation Race	Completed					
8	19-Dec-20	Outremer Telecom	Children's Party	Cancelled due to COVID-19					
9	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, provisions for lighting of approximately 75% of the jogging track has been made.

People are increasingly benefitting from the 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.

### 5.4.3 St. Felix Recreational Park

This project has been implemented in partnership with the Beach Authority and the District Council of Savanne. Situated at the 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 there is an acute lack of such facilities.

The project consists of the following components:

- A beach soccer pitch of an approximate area of 1000m<sup>2</sup>;
- 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 150m<sup>2</sup>;
- 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 problem causing obstacle to users and the project.

### 5.4.4 Welfare Schemes

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

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

FINANCIAL ASSISTANCE SCHEME				FINANCIAL ASSISTANCE SCHEME			
Period 2020/2021				Period 2021/2022			
YEAR	DESCRIPTION		Rs.	YEAR	DESCRIPTION		Rs.
	FIRE VICTIMS	DEATH ON SITE			FIRE VICTIMS	DEATH ON SITE	
July 2020- June 2021	1	6	<u>175,000.00</u>	July 2021- June 2022	6	0	<u>150,000.00</u>

#### 5.4.5 PR Activities and Awareness Campaigns

The 2019 novel coronavirus known around the world as COVID-19 has led to unprecedented economic and public health concerns, which will likely transform how businesses operate going forward. This transformation has not only impacted on EWF operations but also on EWF sustainability and growth of its services.

With the application of lockdowns and strict sanitary protocols on various occasions and the EWF PR Team could not participate in any PR or Awareness activities.

As a result, EWF has optimized its presence online by increase in online transactions and communications with consumers through social media, emailing, and online chat on its website.

The EWF, as at end of FY 2021/2022, has a total of 4,507 followers on its Facebook Page compared to 3,401 followers during the FY 2020-2021.

## 5.5 HR Issues

### 5.5.1 Importance of our Human Capital

The year 2021-2022 has been particularly focused on working from adaptation to transformation. We understand that in the current environment, skills and knowledge are becoming increasingly important for the quality of human capital, furthermore the ability to retain it has become key issue for organization from all business sectors.

This pandemic has forced our businesses to transform, both in working practices and in considering physical infrastructure for employees. Creating the right working environment is something that is beholden on us all, but we would look particularly to our senior staff to lead this endeavor and nurture our young talent that we have across the organization.

### 5.5.2 Performance Management System

Performance Management is not an easy field to navigate. It is constantly evolving, hence the need for an effective 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.

Performance management and KPIs are closely knitted, with the head of sections playing an integral part in the selection and monitoring of the key performance indicators,

The Performance Management System is reviewed on a regularly basis in order to adapt it to the organization requirement. KPIs are used to observe the progress and measure actual results as compared to expected results.

### 5.5.3 Well-Being of employees

The Employees' Welfare Fund caters for the well-being of its working force by providing welfare activities throughout the year 2021-2022. This has helped to create a team bonding and it contributes to high employee morale. One great way to develop healthy workplace relations with fellow employees/collaborators.

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

- Provide Motivation: Employees working in the organization are precious assets, who need to be motivated from time to time.
- Retain the employees: EWF knows the value of the talented and experienced employees and provide various facilities to their employees.

- Increase productivity: Motivated employees always serves better productivity to the organization, which enhances the organization's as well his personal career growth day by day.
- Create strong employer-employee bond: Providing employee welfare benefits acts as a give and take relationship amongst the employer and the employees.

The EWF believes that, employees need to be taken into consideration by the employer as it builds a strong bond amongst them and employees also try to give their best for the development of the organization by showing their involvement in their work and providing relevant results as achievements.

In this connection different cultural activities have been celebrated among the staff members as follows:

SN	PERIOD	CELEBRATION   EVENT
1	All Year Round	Birthday Gifts to Staff Members
2	Sept 21	Tea party - Farewell Annabelle
3	Dec 21	Christmas celebration - sharing of cakes and gift
4	Jan 22	Spring Festival
5	Feb 22	Cakes for Valentine's Day
6	Mar 22	60 <sup>th</sup> birthday of Mrs. Lutchia
7	Mar 22	Women's day
8	Mar 22	Independence Day
9	Mar 22	Farewell Tabiraj & Divyanee
10	April 22	Ugaadi & Gudi Padwa
11	May 22	Eid Ul Fitr

#### 5.5.4 Safety and Health

A safe working environment is essential and a legal requirement for many businesses. 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.

A Safety and Health Committee has been set up comprising of representatives of the Management and of employees supported by the Safety and Health Consultant retained by EWF. It is 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 Safety and Health Committee met 5 times for the financial 2021-2022 and emphasis was laid on some major items which was successfully implemented/resolved during the financial year ending June 2022, as follows:

- Sanitary Measures in connection to COVID-19
- Defective Fire Alarm issue solved.



## 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 2021/2022 was Rs4,270,341 and loans totaling Rs5,506,662 have been set off. The In-house loan cover balance as at 30 June 2020 stood at Rs71,811,632.

The table below illustrates the In-house Loan Cover for the year ended June 2022.

	2021/22
<b>Total No. of Clients</b>	13,312
<b>Premium Collected (Loan Schemes)</b>	Rs4,265,641
<b>Premium Collected (Staff Loan)</b>	Rs4,700
<b>Amount Written-off</b>	Rs5,506,662
<b>Insurance Fund Value</b>	Rs71,811,632

## 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

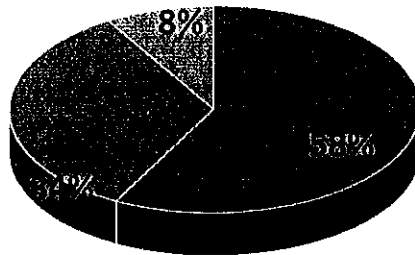
In line with the first objective of the Fund, that is,

**“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 58% of the investment was allocated to the different loan schemes during the year and the rest of 42% were as follows: -

- 34% Local Equity Markets and Treasury Bills
- 8% Foreign Investments

## Investment Structure 2021/22



■ Loan Schemes   ■ Shares and T Bills   ■ Foreign Investments

### 6.3 Comparative Investment Structure

Investment Structure	2020/2021		2021/2022	
	Rs	%	Rs	%
<i>Loan Schemes</i>	1,435,679,419	78	1,238,737,324	58
<i>Shares and Treasury Bills</i>	195,439,287	11	719,826,517	34
<i>Foreign Investments</i>	211,313,052	11	183,328,802	8
	<b>1,842,431,758</b>		<b>2,141,892,643</b>	

### 6.4 Return on Investments

As a result of the investment policy undertaken, the return on investments during the year under review amounted to Rs82.06 million as shown in the table below:

Instruments	2021/2022 Rs
Loan Schemes	75,194,590
Equity on Local and Foreign Market	6,629,176
Bank Deposit	215
<b>Total</b>	<b>81,823,981</b>

## 7.0 Financial Highlights

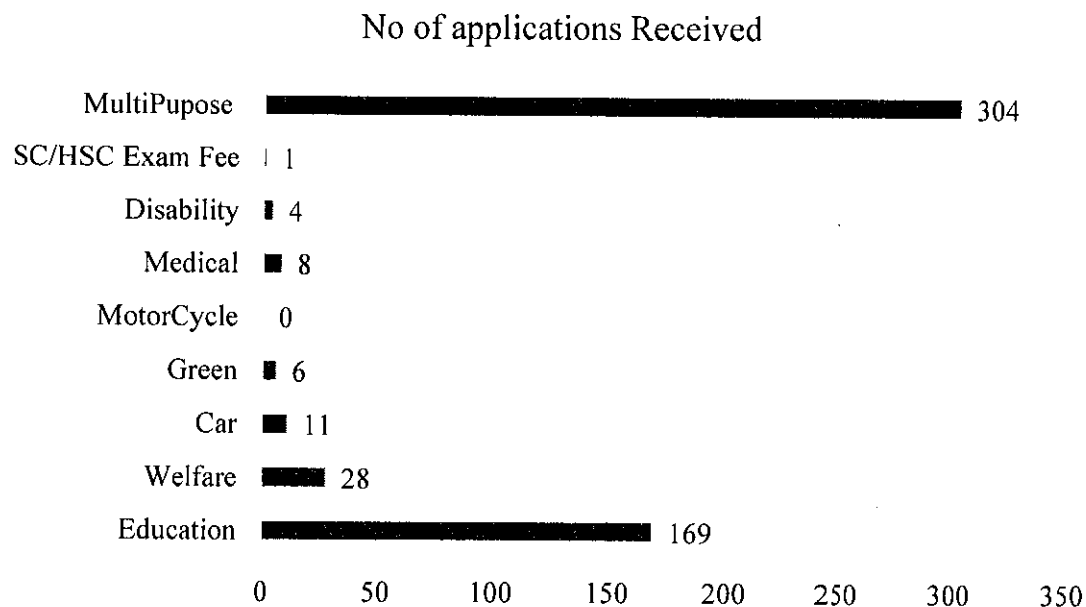
### 7.1 Loan Schemes

Comparative Analysis of the number of applications received and amount of loans approved and disbursed for the year 2021/2022 were as follows:

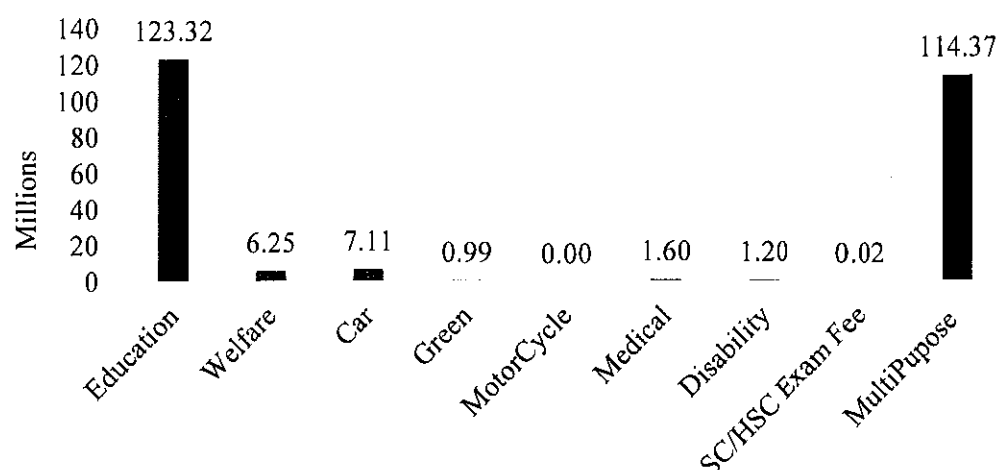
#### All Loans

Loans	2021/2022	2020/2021
No. of Applications Received	531	520
No. of Applications Approved	453	333
Amount Approved (Rs)	215,230,679	201,168,507
Amount Disbursed (Rs)	193,337,678	198,084,507
Amount Repaid (Rs)	391,555,992	446,585,134
Net Disinvestment (Rs)	198,218,314	248,500,627

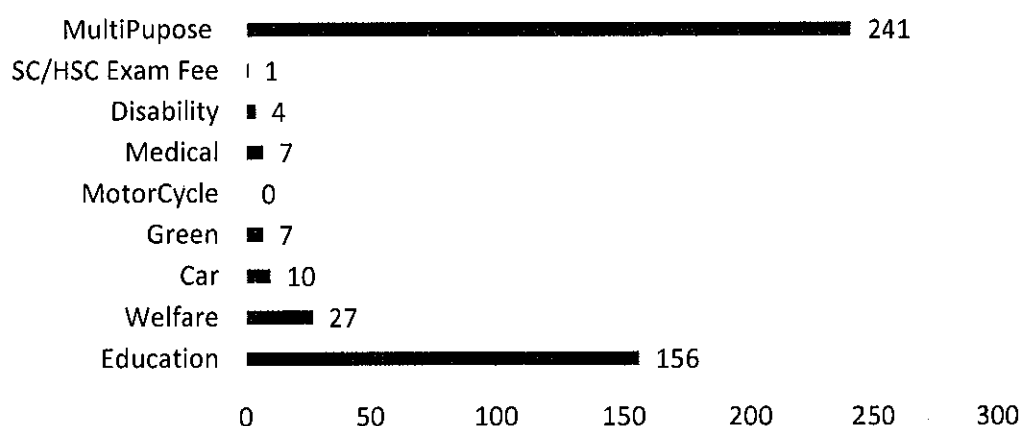
#### Loans for the year 2021/2022



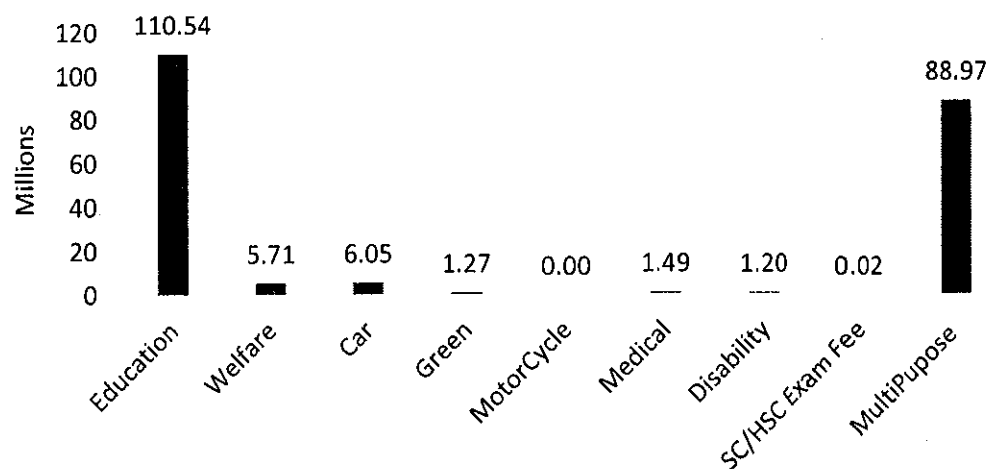
### Amount Applied for the year 2021 -2022



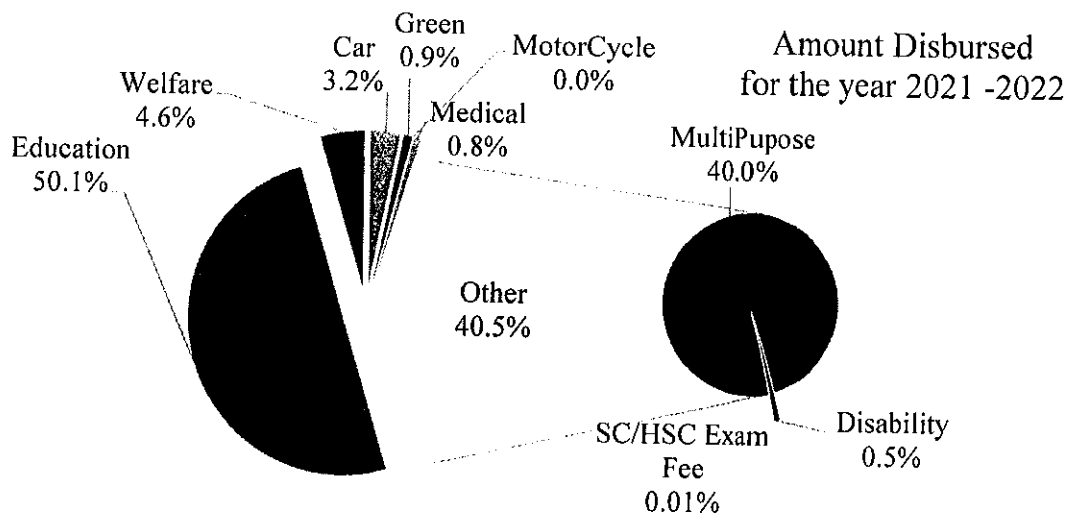
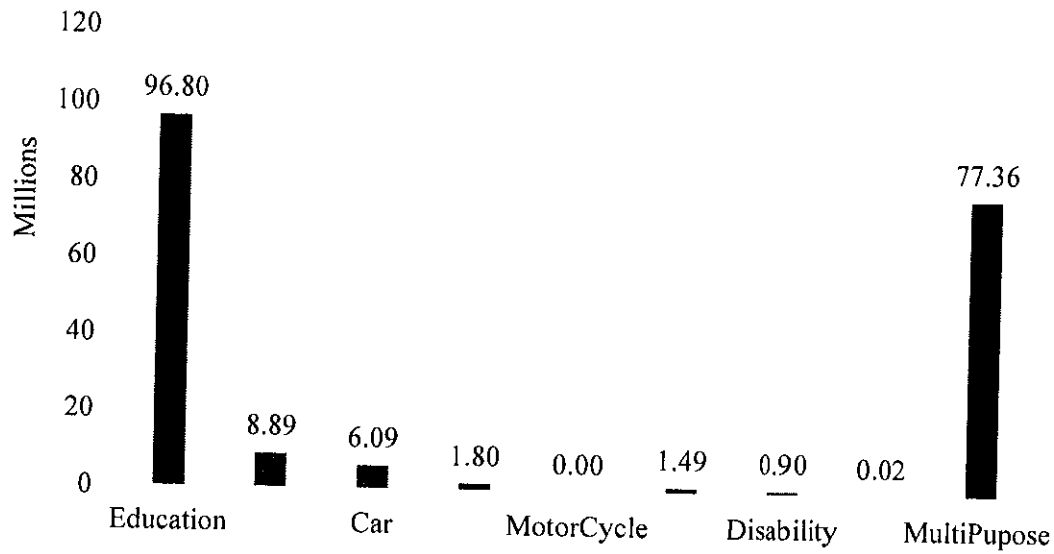
### No of applications approved for the year 2021 -2022



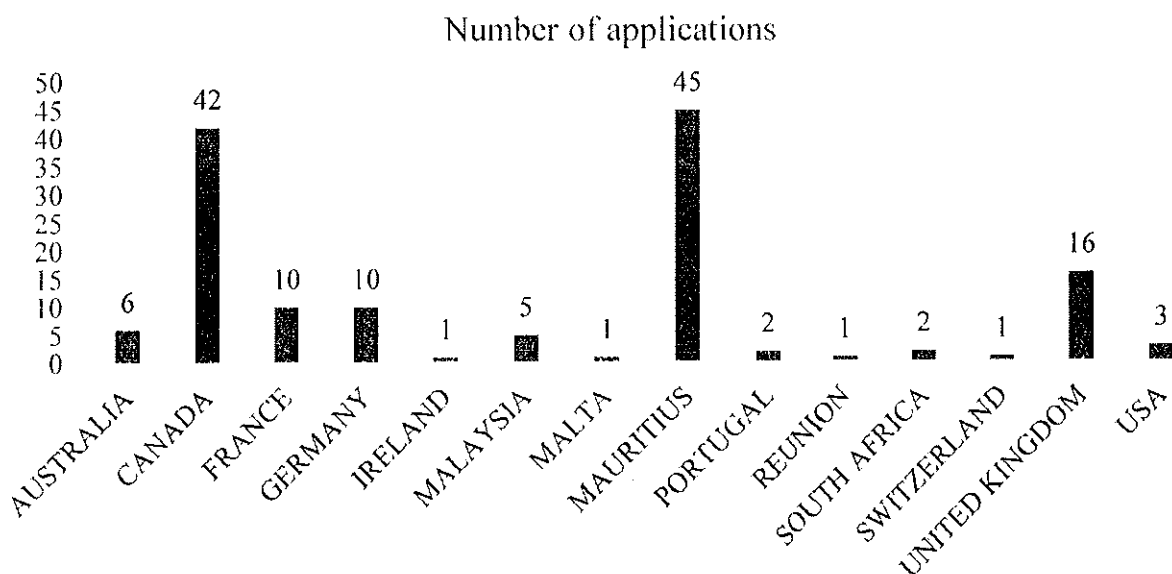
### Amount Approved for the year 2021 - 2022



### Amount Disbursed for the year 2021 -2022



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

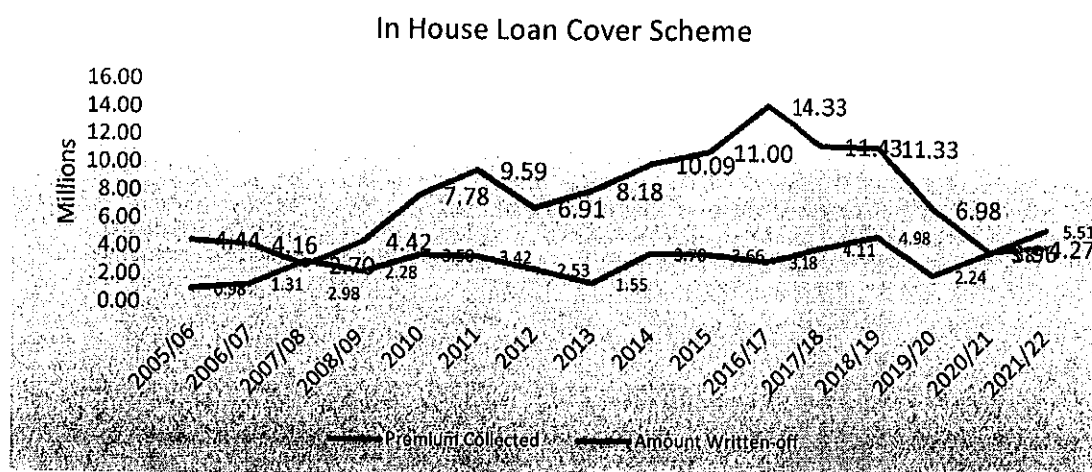


### Field of Study and Countries for the year 2021/2022

FIELD OF STUDY/COUNTRY	AUSTRALIA	CANADA	FRANCE	GERMANY	IRELAND	MALAYSIA	MALTA	MAURITIUS	PORTUGAL	REUNION (FR)	S.AFRICA	SWITZERLAND	UK	USA	Grand Total
Accounting and Finance	1	1						4	2					1	9
Biology		3		1											4
Business Adm. Mgt and International Business		3	2	1		1		4			1		2		14
Computer Science, Programming, Networking and Security	1	2				1		2					1		7
cyber security and digital forensics								2							2
Economics		1	2												3
Engineering		5		5		1							1		12
Hotel and Hospitality Mgt	1		1					2							4
Interior Design and graphic Design	1	2				1									4
Law		1				1		5					7		13
Marketing								3							3
Mathematics		4												1	5
Medical		2	1	2	1	1	1	2		1					11
Others	2	8	3	1				9			1	1	5	1	31
Physics		3													3
Project Management		1						3							4
psychology		1	1					6							8
Software and System Engineering		2						1							3
Sustainable Design and Business Mgt		3						2							5
<b>Grand Total</b>	<b>8</b>	<b>42</b>	<b>10</b>	<b>10</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>45</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>16</b>	<b>3</b>	<b>146</b>

## 7.3 In-house Death Cover Scheme

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



## 7.4 Investments

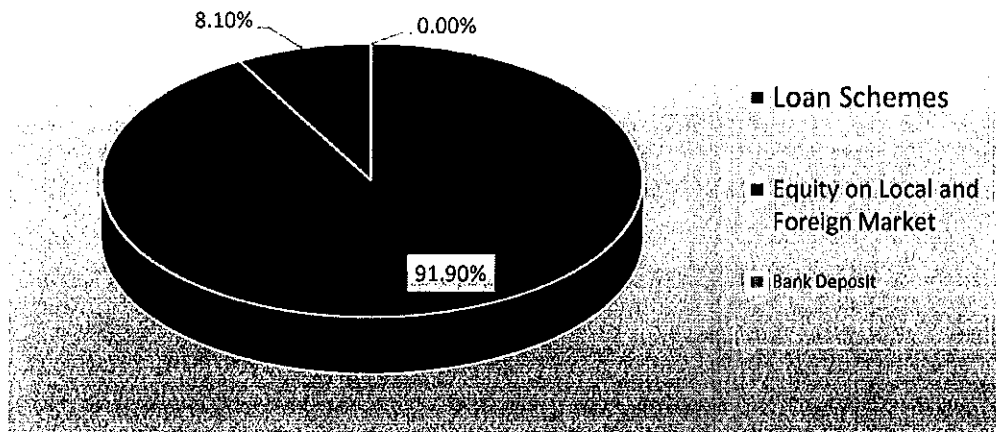
*Investments made were as follows:*

Investment Structure	2021/22	
	Rs	%
<b>Loan Schemes</b>	1,238,737,324	58
<b>Shares</b>	719,826,517	34
<b>Foreign Investments</b>	183,328,802	8
<b>Total</b>	<b>2,141,892,643</b>	

### 7.4.1 Return on Investments

Instruments	2021/22 (IPSAS)
<b>Loan Schemes</b>	75,194,590
<b>Equity on Local and Foreign Market</b>	6,629,176
<b>Bank Deposit</b>	215
<b>Total</b>	<b>81,823,981</b>

### Return per Instruments for year 2021/22



### 7.5 Surplus & Net Worth

IPSAS						
	2016/2017	2017/2018	2018/2019	2019/2020 (Restated)	2020/2021 (Restated)	2021/2022
Net Surplus (Rs)	124,389,979	63,022,825	78,912,683	100,542,632	57,462,357	65,254,580
Fund Value (Rs)	2,657,651,363	2,739,263,326	2,794,294,300	2,844,772,727	2,957,699,330	2,993,344,926



## 8.0 Strategic Direction of the Fund

EWF has, so far, continued in its mission to be responsive to the evolving welfare needs of employees and their families in line with its corporate objectives.

The Board was reconstituted in Dec 2020 and emphasis was laid more in addressing some core issues relating to the business and in responding to the challenges forced upon the Fund during and in the wake of the COVID-19 pandemic. The Board is now in a better position to commission the formulation of its corporate plan for the upcoming three years, to cater among others the reconciliation of its welfare, social and financial objectives and re-positioning the organization in the financial and welfare market. In this respect, consultancy services will be procured to assist EWF in formulating its Corporate Plan 2023-2025.

The strategic directions of the EWF will be more fully defined in its corporate plan 2023-2025 where the objectives will be to:

- a) Reposition the EWF as a leading institution promotion welfare of its members and in 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.

Meanwhile, as part of its main strategies for the upcoming 3 years in line with the EWF Act 1995 (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 and will remain the main loan scheme offered to its members. The scheme will periodically be reviewed to meet the changing needs of customers. The objective is to offer most competitive terms and conditions to members. The interest rate is kept at the lowest possible level. Due care is being exercised to ensure, through

meticulous assessment of repayment capacity before granting loan to members so that they are not overburdened by excessive loans.

With the introduction of the Multi-Purpose Loan, the purpose of contracting loans has been widened, the ceiling increased and the interest rate decreased. This review was made based on the demand of members.

EWF will endeavor to continuously review the terms and conditions, eligibility criteria, repayment periods and loan amounts so as to better respond to the needs of the members of the Fund.

2. promote its 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. A new model of hotel operation and management is being worked out which is expected to add value to the Fund.

## 9.0 Corporate Governance Report

### 9.1 Compliance

Throughout the financial year ended June 2022, 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 1: 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 Chairman 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 on 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 and 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 of the Bank of Mauritius Act 2004); and
- The Borrower Protection Act 2007 as amended.

### 9.2.1 Board Charter

The Board Charter has been approved by the Board whereby the roles and responsibilities of the Chairman, the Board Members, the General Manager and the Board Secretary are spelt out. The role of the Chairman is to lead the Board and that of the General Manager is to manage the organization on a day-to-day basis.

### 9.2.2 Obligations of the Board

According to Section 7 of the EWF Act 1995 (Powers of Board), the Board may do all such things as appear requisite and advantageous in furtherance of the objects of the Fund

As defined in the Board Charter, the Board is the focal point of the Corporate Governance system, and is ultimately accountable and responsible for the performance and affairs of the organization.

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 strategy and values;
- Exercise leadership, enterprise, intellectual honesty, integrity and judgment in directing the organization 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 organization.

### 9.2.3 Role of Board Chairman

The main functions of the Chairman 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;
- To arrange for the provision of suitable induction for new Members; and
- To identify and meet the development needs of individual Members for them to contribute effectively to the deliberations of the Board.

#### 9.2.4 Role of General Manager

The General Manager is responsible for the day to day running of the organisation. His main functions are:

- To be responsible for all executive management matters affecting EWF. All members of executive management report either directly or indirectly to the General Manager;
- To be responsible for proposing and developing the Fund's strategy and overall objectives, which he does in close consultation with the Chairman and the Board;
- To be responsible, with the executive team, for implementing the decisions of the Board and its Committees;
- To be responsible for promoting, and conducting the affairs of the organization with the highest standards of integrity, probity and corporate governance;
- To ensure that the development needs of the members and other senior management reporting to him are identified and met;
- To ensure that the executive team gives appropriate priority to providing reports to the Board which contains accurate, timely and clear information;
- To provide input to the Board's agenda from himself and other members of the executive team; and
- To identify strategic issues facing the organisation, and proposing Board Agenda Items reflecting these.

#### 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 Chairman 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 Chairman 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 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 Chairman 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 Board Secretary, in consultation with the Chairman and General Manager, plans the Board Meeting Agenda in order 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. Papers are also circularised by email to Board Members.

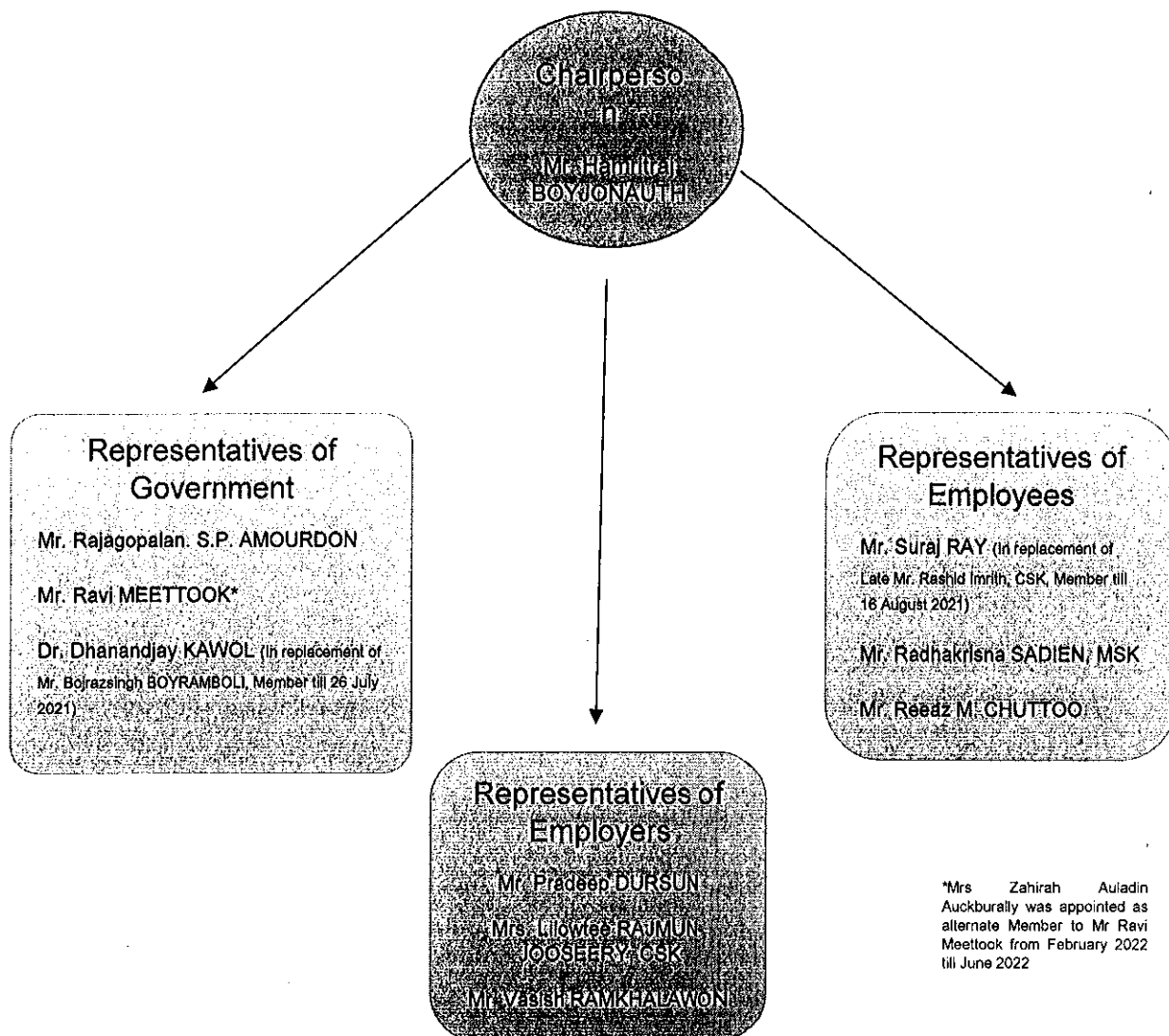
Board Members are expected to attend each Board meeting and every meeting of the Committees of which they are Members of, unless there are exceptional circumstances that prevent them from doing so.

The methods through which the Board exercises its powers and discharges its responsibilities are set out in the EWF Act 1995 governing the Fund.

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

### 9.3.1 Board Composition

For the financial year ended 30 June 2022, the Chairman of the Board was Mr. Hamritraj BOYJONAUTH and the Members were:



### 9.3.2 Members' Profile

#### Mr. Hamritraj BOYJONAUTH (Atish)

Mr. H. Boyjonauth has a career spanning over 12 years in the Construction Industry and is a holder of a Diploma in Project Management and a HND in Construction Management. He was 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 Chairman in July 2011. In addition, he has been appointed as Director of EREIT Management Ltd Board.



**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. 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. Prior to his nomination as Secretary for Public Service, he was Permanent Secretary at the Ministry of Social Integration, Social Security and National Solidarity. 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.

**Dr. Dhanandjay KAWOL**

Dr. D. Kawol is presently Permanent Secretary at the Ministry of Social Integration, Social Security and National Solidarity (Social Security and National Solidarity Division). He is a holder of a Doctorate in Business Administration and is an Associate Member of the Institute of Chartered Secretaries and Administrators. Dr Kawol has a vast working experience in different Ministries and represents the Ministry on numerous Boards.

**Mr. Ravi MEETTOOK**

Mr. R. Meettook is presently Senior Chief Executive at the Ministry of Education, Tertiary Education, Science and Technology. He is the representative of the Ministry on different statutory Boards and Committees. He has served as acting Permanent Secretary/Principal Assistant Secretary during the period 2004-2009. Mr. Meettook has worked at the Ministry of Industry for 16 years and at the treasury from 1980-1986.

**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, and is one of the representatives of Employers on several bodies.

**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 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, he 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. 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.

**Late Mr. Abdool Rashid IMRITH, CSK**

Late Mr. R. Imrith was President of the Government General Service Union (GGSU) from 1986. He had an extensive experience as Employees Representatives on numerous Boards including the Fund. The President of the Republic 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 Chairman 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. Suraj Ray**

Mr. Suraj Ray is the Principal Officer, Governance Risk Compliance at the Mauritius Telecom. He is holder of a Master of Business Administration in Innovation and Leadership, and was conferred the Status of Fellow, ICSA in 2018. Mr. Ray is president of the Telecommunications Employees and Staff Association. He is also the Chairman of the Mauritius Council of Social Service (MACOSS).

**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. Ashok Nawaz - Acting General Manager**

Mr. A. Nawaz is a Fellow Member of the Association of Chartered Certified Accountants 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 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 joined the Ministry of Social Integration, Social Security and National Solidarity in January 1999. He joined the EWF in August 2010 and 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 Accountants. He joined the EWF as Accounts Clerk in April 2007 and was promoted to Accounting Technician in September 2011 and Accountant as from September 2017. He has experience as Accounts Clerk and Accounts Officer in public sector organisations.

### 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.

The Board's Committees are:

- Finance, Loans and IT Committee,
- Human Resource Committee,
- Audit, Risk Management and Corporate Governance Committee,
- Hotel Management Committee,
- Procurement Committee,
- Strategic Development and Monitoring Committee,
- Anti-Corruption Committee,
- Steering Committee
- Special Committee (Ad Hoc)

### 9.3.5 Committee Charters

Each Committee has its Terms of Reference which clearly articulates its responsibilities. The Terms of Reference of all Committees are reviewed annually or every two years or as and when required in order to ensure that they comply with best practices in the relevant areas.

#### i) **Finance, Loans 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 will meet on a monthly basis except in specific circumstances.

### **Composition of the Committee**

Chairman	- Mr. P. Dursun
Member	- Mr. R.S.P. Amourdon
Member	- Mr. S. Ray (as from 28 April 2022)
Member	- Mrs. Z. Auladin Auckburally (28 April 2022-21 June 2022)
Member	- Mr. V. Ramkhalawon (26 January 2021-28 April 2022)
Member	- Mr. R. Sadien, MSK (26 January 2021-28 April 2022)

In attendance

General Manager

Deputy General Manager

Accountant (Secretary to the Committee)

The Chairman 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)**

### **Objectives of the Committee**

To assist and advise the Board on the Fund's Human Resources Policies and Strategies.

### **Terms of Reference**

- To review propose and oversee the implementation of 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, and organisational productivity improvement).

- To recommend to the Board the approval of the Fund's general policy on staff remuneration as per the PRB recommendations.
- To review and propose changes in the organisational structure and staffing structure requirements as proposed by Management for the efficient operation of the Fund.
- To review and propose any relevant criteria to measure the performance of staff in fulfilling their functions and responsibilities.
- To review and propose the HR Action Plan and the HR Budget.
- To examine and advise on any other relevant HR issues.
- To review and make propositions regarding the HR Manual, HR Policies and Procedures.

### **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**

The HR Committee comprises of any four members as nominated by the Board.

Chairman - Mr. R. Sadien, MSK

Member - Mr. V. Ramkhalawon

Member - Dr. D. Kawol (as from 28 July 2021)

Member - Mr. R. Chuttoo (as from 28 April 2022)

Member - Mr. B. Boyramboli (26 January 2021- 26 July 2021)

Member - Late Mr. R. Imrith CSK (26 January 2021- 16 August 2021)

In attendance

General Manager

Head of HR

Human Resource Management Officer (HRMO)

Administrative Secretary (Secretary to the Committee)

At least 3 Members shall constitute a quorum.

The Board ensures that the HR 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 (ARMCGC)**

#### **Objective of the committee**

- To advise the Board by providing oversight of the Fund's Corporate Governance practices, the audit process, the system of internal controls, the identification and management of significant risks and its compliance with applicable laws and regulations.

#### **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:

- 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);
- To make recommendations to the Board on all Corporate Governance provisions to be adopted by EWF;
- To ensure that the reporting requirements with regards to Corporate Governance are in accordance with the principles of the Code;
- To examine the Corporate Governance Report to be incorporated in the organisation's Annual Report;
- To ensure that disclosures are made in the Annual Report in compliance with the Disclosure Provisions in the Code;
- To ensure implementation of the recommendations of the Board Evaluation Report; and
- To make recommendation on the Directors' Development Plan.

##### **B. Audit and Risk Management**

- To look into the functioning of the internal control system and ensure its compliance with existing standards and principles;



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

Chairman - Dr. D. Kawol (as from 28 July 2021)

Mr. B. Boyramboli (26 January 2021-26 July 2021)

Member - Mr. R. Sadien, MSK

Member - Mrs. L. Rajmun- Jooseery, CSK

Member - Mr. S. Ray (as from 28 April 2022)

Member - Mr. R. M. Chuttoo (26 January 2021- 27 April 2022)

In attendance

Internal Auditor

Administrative Secretary (Secretary to the Committee)

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

The Chairman and at least 2 Members shall constitute the quorum.

### **Review**

The Terms of Reference shall be subject to review at least every two years or when there is the need for necessary and reasonable changes.

## **iv) Hotel Management Committee (HMC)**

### **Objectives of the Committee**

- To assist and advise the Board on the effective operations of the hotel at Calodyne in strict compliance to the Hotel Management Agreement signed between the Fund and the Hotel Operator.

### **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 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)

Chairman – Mr. V. Ramkhalawon (as from 05 October 2021)

Mr. B. Boyramboli (15 April 2021-26 July 2021)

Member - Mr. R. Chuttoo (as from 15 April 2021)

Member - Dr D. Kawol (as from 29 July 2021)

Member - Mr. S. Ray (05 October 2021-November 2021)

Member - Mr. V. Ramkhalawon (15 April 2021-04 October 2021)

Member- 2 Representatives from EGML

### **In attendance**

The General Manager

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

The Chairman 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)**

### **Objectives of the Committee**

- To assist and advise the Board on the Fund's Procurement matters.

### **Terms of Reference**

- Formulate and ensure that proper procurement procedures and principles are followed for the procurement of goods, services and works;
- Examine requests for the procurement of goods, services and works and decide on the procurement methods to be used in each case;
- Vet bidding documents and notices;
- Open bids received;
- Examine and evaluate bids;
- Set up bid evaluation committees, as may be required;
- Oversee the examination and evaluation of bids and make proper recommendations to the Board for the award of tender/contract;
- Review and make appropriate recommendations to the Board on applications received for variations, addenda or amendments to any on-going contracts;
- Recommend, where appropriate, the implementation of measures to improve the operation of the annual procurement planning and process; and
- Formulate appropriate policies relating to procurement.

### **Meetings**

The Committee shall meet as and when needed.

### **Composition**

Chairman – Mr. R.S.P. Amourdon

Member - Mr. R. Chuttoo

Member - Mr. S. Ray (as from 21 September 2021)

In attendance

The General Manager

The Head of Procurement

Technical Officer (Welfare /Public Relations)-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 be held as and when required.

### **Composition**

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

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

Chairman of the Finance Committee - Mr. P. Dursun

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

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

Chairman of the Hotel Management Committee – Mr. V. Ramkhalawon (as from 05 October 2021)

Chairman of the Audit, Risk Management and Corporate Governance Committee – Dr. D. Kawol (as from 28 July 2021)

**In attendance**

General Manager

Administrative Secretary (Secretary to the Committee)

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

**vii) Anti-Corruption Committee (ACC)****Objectives of the Committee**

- To assist and advise the Board in developing and coordinating the implementation of the anti-corruption initiatives and programmes

**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****Chairmanship 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**

Chairman- Mr. R. Meettook

Acting General Manager Mr. A. Nawaz

Project Manager- Mr. J. Dahoo

Technical Officer (Loans)- Mrs. A. Ponnusami

Internal Auditor -Miss S. Janally

Accountant-Mr. D. Adeen

Secretary to Committee- Mrs. L. Nepal-Unuth

### **Representatives of ICAC**

Chief Corruption Prevention Officer - Mrs. K. Jogarah-Seegolun

### **Frequency of Meetings**

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

### **Sub – Committees**

The Chairman 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:

- To brainstorm and agree on a business model which is appropriate for the Rodrigues Hotel project, taking into consideration the objectives of the EWF.
- To work on an action plan and time frame for the post-acquisition activities including renovation processes.
- To oversee the planning and execution of the renovation program and ensuring that the time frame is maintained.
- To review policies and procedures relating to implementation of project and compliance with terms of contract.
- To take cognizance of regular progress reports and work-plans and submit to the Board.
- 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 Chairmen of the Sub Committees and the Representative of the Parent Ministry.

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

Chairman of the Audit, Risk Management and Corporate Governance Committee – Dr. D. Kawol

Chairman of the Finance Committee - Mr. P. Dursun

Chairman of the Hotel Management Committee - Mr. V. Ramkhalawon

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

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



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

**In attendance**

The General Manager

The Administrative Secretary (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 Chairman and 3 Members constitute a quorum for the holding of the meeting.

**ix) Special Committee (Ad Hoc)**

The Board also establishes ad hoc committees to perform specific tasks. Once same is completed, the Committee is dissolved. In the same vein, a Special Committee was held during the financial year for Consultancy Services regarding Business Model for Sealife Resort & Spa.

**Objective**

To recommend to the Board on the most appropriate Hotel Business Model in the interests of the EWF.

**Terms of Reference**

- to discuss and assess the 3 Hotel Business models proposed by the Board; and
- to work on the Terms of Reference for the enlistment of the services consultant/consultancy firm with regards to the feasibility study of the business model for the Sealife Resort & Spa.

**Meetings**

The Committee will meet as and when required up till the relevant recommendation is made to the Board.

**Composition**

Chairman - Dr D. Kawol

Member - Mr. R. Amourdon

Member - Mr. R. Chuttoo

Member - Mr. V. Ramkhalawon

### In attendance

The General Manager

The Project Manager

Administrative Secretary (Secretary to the Committee)

### 9.3.6 Board Committees for Year 2021/2022

The table below shows the number of Board and Committees meetings held for the period 01 July 2021 to 30 June 2022:

Board/ Committees	Total Number of Meetings	Meeting Mode*
Board	12	P: 1, VC: 6, B: 5
Special Board Meeting (SBM)	8	P: -, VC: 5, B: 3
Finance, Loans and IT Committee (FC)	12	P: -, VC: 12, B: -
HR Committee (HRC)	8	P: -, VC: 4, B: 4
Special HR Committee (SHRC)	5	P: 2, VC: 2, B: 1
Hotel Management Committee (HMC)	3	P: 2, VC: -, B: 1
Internal Hotel Management Committee (IHMC)	4	P: 1, VC: 3, B: -
Audit, Risk Management and Corporate Governance Committee (ARMCGC)	5	P: -, VC: 5, B: -
Special Audit, Risk Management and Corporate Governance Committee (ARMCGC)	1	P: -, VC: 1, B: -
Procurement Committee (PC)	8	P: 1, VC: 3, B: 4
Special Procurement Committee (SPC)	2	P: 1, VC: 1, B: -
Strategic Development and Monitoring Committee (SDMC)	3	P: -, VC: 2, B: 1
Special Committee (Ad-Hoc)	3	P: -, VC: 3, B: -
Anti-Corruption Committee (ACC)	—	—
Steering Committee (SC)	—	—

\*Note: Meeting Mode: P: Physical Meeting  
VC: Via Video Conferencing  
B: Blend of Physical Meeting and Video Conferencing

## 9.4 Principle 3: Director 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. According to the EWF Act 1995, the Board shall consist of;

- a Chairman 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.

The Members of the Board are appointed by the Parent Ministry (Ministry of Finance, Economic Planning and Development). In line with Section 5(3) of the Act, they shall hold office for a period of 2 years and shall be eligible for re-appointment.

### 9.4.2 Induction

Upon his or her appointment, each Board Member is provided with an induction pack that comprises of 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 Board Members.

### 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 01 July 2021 to 30 June 2022 in respect to the number of meetings held.

JULY 2021-JUNE 2022											
BOARD MEMBERS	BOARD			COMMITTEES							
	BOARD	SBM	ARMCG C/SAR MCGC	FC	HMC/ IHMC	HRC/ SHRC	PC/SPC	SC	SDMC	ACC	Special Committee (Ad hoc)
MR H BOYDONAATH	12/12	8/8	N/A	N/A	N/A	N/A	N/A	--	N/A	N/A	N/A
MR R AMOURDON	12/12	7/8	N/A	12/12	N/A	N/A	10/10	--	3/3	N/A	3/3
DR D KAWOI	12/12	7/7	6/6	N/A	7/7	13/13	N/A	--	3/3	N/A	3/3
MR R MEETHOOK	10/12	7/8	N/A	N/A	N/A	N/A	N/A	--	N/A	--	N/A
MR RAGHUNATH	10/12	7/8	4/6	N/A	5/7	2/3	10/10	--	N/A	N/A	3/3
MR S IRAY	9/11	4/6	N/A	2/2	0/2	N/A	8/8	--	N/A	N/A	N/A
MR R SADIENMSK	12/12	8/8	5/6	9/10	N/A	13/13	N/A	--	2/3	N/A	N/A
MR P DURSUN	11/12	5/8	N/A	12/12	N/A	N/A	N/A	--	2/3	N/A	N/A
MRS L RAJ MUNDOSSEERY GSK	12/12	7/8	6/6	N/A	N/A	N/A	N/A	--	3/3	N/A	N/A
MR V RAMKHALAWON	10/12	6/8	N/A	3/10	7/7	13/13	N/A	--	1/2	N/A	3/3
MR B BOYRAMBOLI	N/A	1/1	N/A	N/A	N/A	N/A	N/A	--	N/A	N/A	N/A
LATE MR R NIMRITH GSK	0/1	0/2	N/A	N/A	N/A	0/1	N/A	--	N/A	N/A	N/A
MRS Z ADILADIN AUCKBURALLY	N/A	N/A	N/A	1/2	N/A	N/A	N/A	--	0/1	N/A	N/A

## 9.5 Principle 4: Director Duties, Remuneration and Performance

### 9.5.1 Related Party Transactions

Board Members immediately report to the Chairman 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 and Committees or proceeding of the Board and Committees 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:

- The Board Members of the organisation, its parent organisation, affiliated or sister companies and associates.
- A parent organisation and any subsidiary or affiliated organisation that is not wholly owned.
- The General Manager, and key officers, including anyone who directly reports to the Board or the General Manager.
- 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

## 9.5.3 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 Chairman has been paid an all-inclusive monthly fee of Rs50,000 and the Board Members, an all-inclusive monthly fee of Rs20,000.

For the 12 months period ended 30 June 2022, the Chairman and Members earned Board fees of a total of Rs 2,740,000.00 (Please refer to Table below for detailed fees).

MEMBER	BOARD FEES
<b>Mr. R.S.P Amourdon</b>	240,000.00
<b>Mr. H. Boyjonauth</b>	600,000.00
<b>Mr. B. Boyramboli</b>	20,000.00
<b>Mr. R. Chuttoo</b>	240,000.00
<b>Mr. P. Dursun</b>	240,000.00
<b>Dr. D. Kawol</b>	240,000.00
<b>Mr. R. Meettook</b>	240,000.00
<b>Mrs. L. Rajmun-Jooseery, CSK</b>	240,000.00
<b>Mr. V. Ramkhalawon</b>	240,000.00
<b>Mr. S. Ray</b>	200,000.00
<b>Mr. R. Sadien, MSK</b>	240,000.00
<b>TOTAL</b>	<b>2,740,000.00</b>

## 9.6 Principle 5: Risk Governance and Internal Control

In accordance with the National Code of Corporate Governance, 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 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 is 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, each operational supervisor manages and owns the risks that are formally documented and monitored through Risk Registers. 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 to the Board 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.

## 9.7 Principle 6: Reporting with Integrity

The Board is committed to provide to its Shareholders (Government) and stakeholders an assessment of the Fund's performance and outlook in its annual report.

- **Environmental**

EWF has adopted several initiatives in view of contributing the reduction of carbon emissions such as:

Developing an interactive on-line loan application module to reduce use of paper for all loan applications. Loan applications are submitted online and required documents uploaded. The mode of online loan applications has increased by 24% during the financial year.

- Board papers are shared digitally via emails and uploaded in Dropbox.
- Adopting the Reuse, Reduce and Recycle principles within business functions

- **Social**

Skills and knowledge are becoming increasingly important and the ability to recruit and retain quality of human capital has become key issue for organizations. EWF is an equal opportunity employer.

It has put in place a recruitment policy which provides opportunities of recruitment for internal employees in the first instance. In case there are no suitable candidates internally, then a proper and fair external recruitment exercise is carried out. Recruitments are made only for posts which have been approved by the EWF's Board, its parent Ministry and the Pay Research Bureau (PRB). Each post has a scheme of service which defines the entry requirements, qualifications, the duties ascribed for the post and the reporting line.

Creating the right working environment is something that is beholden on us all, but we would look particularly to our senior staff to lead this endeavor and nurture our young talent.

- **Safety and Health**

A safe working environment is essential and a legal requirement for many businesses.

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.



A Safety and Health Committee has been set up comprising of representatives of the Management and of employees supported by the Safety and Health Consultant retained by EWF. It is 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 Safety and Health Committee met 5 times for the financial 2021-2022 and emphasis was laid on some major items which was successfully implemented/resolved during the financial year ending June 2022, as follows:

- Sanitary Measures in connection to COVID-19
- Defective Fire Alarm issue solved.

## 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 Auditor 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 Chairman 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

From the audit report of the National Audit Office (NAO) for the financial year ended 30 June 2021, it was observed that the creation of the EWF Hospitality Ltd was not in compliance with Section 3(A)(1) of The Statutory Bodies (Accounts and Audit) Act. Following which, the Board approved that the Company be removed from the Register of Companies. EWF has already initiated action for the removal and same is under process.

### B. EWF's Calodyne Sur Mer (CSM) operations (2015-2017)

As mentioned in the Annual Report for the Financial Year 2020/2021, the OPSG Report was perused at the level of the Audit, Risk Management and Corporate Governance Committee, and relevant recommendations as approved by the Board are being implemented.

It is also 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 of the 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



# 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**

#### **Qualified Opinion**

I have audited the financial statements of the Employees' Welfare Fund set out at pages 70 to 99 of the annual report, which comprise the statement of financial position as at 30 June 2022 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, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Employees' Welfare Fund as at 30 June 2022, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

#### **Basis for Qualified Opinion**

##### *In-House Loan Cover Scheme - Rs 71,811,632*

The primary objective of the In-House Cover Scheme introduced since 2005, consists of a one-off contribution from borrowers so as to alleviate their burden regarding outstanding loans, in the event of death or permanent disability.

The accumulated balance under the Scheme of some Rs 71.8 million as at 30 June 2022, was treated as a liability instead of as a reserve.

##### *Investment Property – Rs 305,070,526*

Investment Property consisted of Buildings, including Plant and Equipment, of net book value of some Rs 194 million, situated on a leasehold land, latter valued in 2017 at some Rs 111 million. These being meant to cater for the welfare of employees and their families were therefore not held for investment purposes.

Buildings and Plant and Equipment therefore ought to be regarded as assets of the Employees' Welfare Fund instead of investment property.

Ownership by the Fund of the leasehold land was not confirmed in absence of an effective lease agreement as at 30 June 2022. The former lease agreement which expired on 30 June 2015 was not renewed and was subsequently reported cancelled as from that date. A new lease agreement effective as from October 2022 was entered into by the Fund for that land with new terms and conditions. Continuity of the initial lease was however construed by the Fund after its expiry on 30 June 2015 till 19 October 2022, the date before the effective date of the new lease, on the basis that rental fees have been paid for that period by the Fund.

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 qualified 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. Except for the matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

### **Emphasis of Matter**

I draw attention to the following matters.

Note 11 to the financial statements, states that the EWF's Board has approved to reduce the monthly fees receivable from the hotel operator for the period May 2020 to October 2021 due to the adverse impact of the Covid-19 pandemic in the hotel industry from Rs 2,244,000 to Rs 1,300,000 and has consequently written off Rs 11,328,000 against provisions made last year. The Board has also approved to reschedule payment for the post covid arrears over a period of two years as from April 2022 for a monthly payment of Rs 975,000.

Note 26 (d) of the financial statements – Lump Sum Paid - mentions that 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 and that, given that a list of such employees cannot be obtained, a reliable estimate for the potential liability cannot be made.

My opinion is not modified in respect of these matters.

### **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 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 for 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 to 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 to the Board 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 economically, efficiently and effectively; 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 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 economically, efficiently and effectively.

#### ***Creation and subsequent winding up of private limited company - EWF Hospitality Ltd***

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 on 21 June 2021, namely EWF Hospitality Ltd. The Fund has subsequently initiated action since 28 April 2022 for the winding up of the company and for its removal from the Register of Companies and same was under process as at end of financial year 2021-22.

Except for the above, 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

24 April 2023

# AUDITOR'S REPORT

# 12.0

# Financial

# Statements

**Employees Welfare Fund**  
STATEMENT OF FINANCIAL POSITION  
As at 30 June 2022



Restated

		2021 / 2022	2020 / 2021
	Notes	Rs	Rs
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and cash equivalents	14	541,598,929	813,068,113
Trade and other receivables	15	41,545,304	37,756,746
Loans and receivables	16	309,652,760	365,668,580
Held to Maturity investments	16	516,744,343	-
		<b>1,409,541,336</b>	<b>1,216,493,439</b>
<i>Non-current assets</i>			
Investment property	18	305,070,526	302,248,853
Loans and receivables	16	929,084,566	1,070,010,839
Fair value through surplus and deficit investments	16	22,776,528	26,308,055
Available for sale securities	19	363,634,446	371,279,990
Infrastructure, plant and equipment	20	85,190,497	86,715,044
Intangible asset	21	103,500	64,688
Other non-current assets	17	1,300,001	1,300,001
<i>Total non-current assets</i>		<b>1,707,160,064</b>	<b>1,857,927,470</b>
<i>Total assets</i>		<b>3,116,701,400</b>	<b>3,074,420,909</b>
<b>LIABILITIES</b>			
<i>Current liabilities</i>			
Trade and other payables	22	12,925,183	7,850,872
Deferred revenue	23	167,663	65,343
Employee benefits obligation	24	287,144	255,053
<i>Total current liabilities</i>		<b>13,379,990</b>	<b>8,171,268</b>
<i>Non-current liabilities</i>			
Employee benefits obligation	24	38,164,852	35,502,358
In-house loan cover scheme	25	71,811,632	73,047,953
<i>Total non-current liabilities</i>		<b>109,976,484</b>	<b>108,550,311</b>
<i>Total liabilities</i>		<b>123,356,474</b>	<b>116,721,579</b>
<i>Net assets</i>		<b>2,993,344,926</b>	<b>2,957,699,330</b>
<b>NET ASSETS / EQUITY</b>			
<i>Capital and reserves</i>			
General fund	26	2,752,403,574	2,716,757,978
Reserves	27	240,941,352	240,941,352
<i>Total net assets / equity</i>		<b>2,993,344,926</b>	<b>2,957,699,330</b>

Approved by Board on 26 October 2022

  
Chairman



  
Board Member

**Employees Welfare Fund**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
*For the year ended 30 June 2022*



		<b>2021 / 2022</b>	<b>Restated 2020 / 2021</b>
	<b>Notes</b>	<b>Rs</b>	<b>Rs</b>
<b>Revenue</b>			
Interests	28	75,194,590	90,814,567
Investment revenue	29	6,629,391	2,494,884
Other revenue	30	23,831,185	33,644,531
<b>Total revenue</b>		<b>105,655,166</b>	<b>126,953,982</b>
<b>Expenses</b>			
Administrative expenses	31	13,896,078	22,242,234
Staff costs	32	21,799,133	19,979,249
Employee benefits expense	33	7,169,693	6,382,258
Depreciation and amortization expense	34	9,070,525	9,670,098
Provisions and write offs	35	1,500,000	11,395,670
Welfare activities expenses	36	-	150,161
<b>Total expenses</b>		<b>53,435,429</b>	<b>69,819,670</b>
<b>Surplus from operating activities</b>		<b>52,219,737</b>	<b>57,134,312</b>
<b>Other gains / (Losses)</b>			
Exchange differences on translating foreign operations	37	13,034,843	9,492,339
Gains/(Losses) on Fair Value through surplus and deficits investments	38	-	(9,164,294)
<b>Total gains/(losses)</b>		<b>13,034,843</b>	<b>328,045</b>
<b>Surplus for the year</b>		<b>65,254,580</b>	<b>57,462,357</b>

The notes from Pages 75 to 99 form an integral part of the financial statements.

**Employees Welfare Fund**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
For the year ended 30 June 2022

	Notes	General fund	Reserves			Total
			Reserves	Grants	Total Reserves	
		Rs	Rs	Rs	Rs	Rs
<b>At 1 July 2020</b>		<b>2,603,831,375</b>	<b>240,941,352</b>	-	<b>240,941,352</b>	<b>2,844,772,727</b>
Actuarial Gains (losses) on employee benefits obligation	24	(8,579,857)	-	-	-	(8,579,857)
Adjustment to General Fund	26	(719,913)	-	-	-	(719,913)
Increase / (decrease) in fair value of investment securities	38	64,764,016	-	-	-	64,764,016
Net surplus/(deficit) for the year		57,462,357	-	-	-	57,462,357
<b>At 30 June 2021 - Restated</b>		<b>2,716,757,978</b>	<b>240,941,352</b>	-	<b>240,941,352</b>	<b>2,957,699,330</b>
<b>At 1 July 2021 - Restated</b>		<b>2,716,757,978</b>	<b>240,941,352</b>	-	<b>240,941,352</b>	<b>2,957,699,330</b>
Actuarial Gains (losses) on employee benefits obligation	24	(5,647,742)	-	-	-	(5,647,742)
Adjustment to General Fund	26	(1,888,000)	-	-	-	(1,888,000)
Increase / (decrease) in fair value of investment securities	38	(22,073,242)	-	-	-	(22,073,242)
Net surplus/(deficit) for the year		65,254,580	-	-	-	65,254,580
<b>At 30 June 2022</b>		<b>2,752,403,574</b>	<b>240,941,352</b>	-	<b>240,941,352</b>	<b>2,993,344,926</b>

# Employees Welfare Fund

## STATEMENT OF CASH FLOW

For the year ended 30 June 2022



	2021 / 2022	2020 / 2021
	<i>Rs</i>	<i>Rs</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	65,254,580	57,462,357
Non-cash movements		
Depreciation	9,070,525	9,670,098
Provisions and Write offs	1,500,000	11,395,670
Employee benefits expense	3,330,699	3,433,694
(Gain)/ Loss on FVPL investment	(2,197,650)	8,090,031
Increase/(decrease) in Accrual in other income	(6,052,852)	(4,177,426)
Exchange (gain)/loss	(12,404,176)	(9,452,333)
Adjustment for interest accrued	(447,288)	(212,035)
Other receivables decrease(increase)	(7,061,030)	(22,267,705)
Other payables (decrease)increase	5,074,312	5,185,649
<b>Net non-cash movements</b>	<b>(9,187,460)</b>	<b>1,665,643</b>
<b>Operating Activities</b>		
Loans repaid	394,290,907	453,028,079
Loans refunded (overpayment)	(2,530,862)	(3,038,380)
Loans disbursed	(193,837,678)	(198,084,507)
In-house loan cover	4,270,340	3,959,467
Employee Benefits	(1,283,855)	(2,689,586)
	<b>200,908,852</b>	<b>253,175,073</b>
<b>Net cash flows from operating activities</b>	<b>256,975,972</b>	<b>312,303,073</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant, property and equipment	(10,268,460)	(1,630,752)
Intangibles Assets	(138,000)	-
Contribution to Pension Fund	(5,000,000)	-
Investment in Treasury Bills	(513,038,696)	74,187,192
<b>Net cash flows from investing activities</b>	<b>(528,445,156)</b>	<b>72,556,440</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(271,469,184)</b>	<b>384,859,513</b>
<b>Cash and cash equivalents at 1 July 2021</b>	<b>813,068,113</b>	<b>428,208,600</b>
<b>Cash and cash equivalents at 30 June 2022</b>	<b>541,598,929</b>	<b>813,068,113</b>
	<b>(271,469,184)</b>	<b>384,859,513</b>

### 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:

	2021 / 2022	2020 / 2021
	<i>Rs</i>	<i>Rs</i>
Cash in hand and balances with banks	541,598,929	813,068,113
	<b>541,598,929</b>	<b>813,068,113</b>

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 Rs10,268,460

Cash payments of Rs10,268,460 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 2022

	Final Budget 2021/2022	Actual 2021/2022	Difference Final Budget and Actual	Reason for variance
	Rs	Rs	Rs	Notes
<b>REVENUE</b>				
Interest income	85,241,471	69,940,622	(15,300,849)	(i)
Investment income	2,000,000	4,007,610	2,007,610	(ii)
Other income	18,784,000	11,060,352	(7,723,648)	
<b>Total Revenue</b>	<b>106,025,471</b>	<b>85,008,584</b>	<b>(21,016,887)</b>	
<b>EXPENDITURE</b>				
Staff costs	(36,112,156)	(34,608,618)	1,503,538	(iii)
Fees to board members	(2,869,410)	(2,646,145)	223,265	
Electricity and telephone	(1,272,560)	(1,497,133)	(224,573)	
Legal and professional fees	(7,357,450)	(2,340,022)	5,017,428	(iv)
Repairs and insurance office and investment property	(1,893,984)	(1,443,792)	450,192	
Training and seminars	(956,600)	(139,600)	817,000	(v)
Other administrative expenses	(14,241,222)	(9,889,663)	4,351,560	(vi)
<b>Total expenditure</b>	<b>(64,703,382)</b>	<b>(52,564,973)</b>	<b>12,138,409</b>	
<b>Surplus</b>	<b>41,322,089</b>	<b>32,443,612</b>	<b>(8,878,478)</b>	
<b>CAPITAL EXPENDITURE</b>				
Capital expenditure	(262,761,368)	(10,945,691)	251,815,674	(vii)
Loan schemes	(130,293,172)	210,879,853	341,173,025	(viii)
Investment	-	(503,846,957)	(503,846,957)	(ix)
<b>Net Movement in Cash</b>	<b>(351,732,449)</b>	<b>(271,469,184)</b>	<b>80,263,264</b>	

### Notes

(i) During the period 2021/22, Given the reconomic recovery phase post covid -19, there has been an increase in dividend paid.

(ii) Due to Covid -19 pandemic, the hotel operator had not paid the total amount of rent involved to them for FY 21/22. 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.

Following the issue of PRB report 2021, the actual amount also include the payment of adjustment to salaries.

(v) Legal and profession fees earmarked for court cases not incurred in FY 21/22

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

(vi) Recurrent expenses for ICT related project, Awareness campaigns and visits to Rodrigues were not incurred during the current Financial year.

(vii) Some of the projects initially earmarked for 2021/22 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 2021/22 as compared to previous trends which explains a reduction in the investment in loan schemes.

(ix) Given the low demand of loans, there were surplus cash which had been invested in Government of Mauritius Treasury Bills.

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



## 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 6<sup>th</sup> 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 2022, which covers the period 1 July 2021 to 30 June 2022 with comparative information for year ended 30 June 2021.

## 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.

#### (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

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



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 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.

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.

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



## (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 was for an initial period of 19 years and a fraction and is renewable for four periods of 10 years. The request for renewal of lease was made at the Ministry of Housing and Land Use Planning since 2015. An offer for a new lease agreement has been received from the Ministry and accepted by the EWF. The new lease agreement is in under process at the Ministry. 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 carrying amount of the asset is recognized in the Statement of Financial Performance in the period of derecognition.

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

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



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 $\frac{1}{3}$ %
Land is not depreciated	

During the period ended 30 June 2022, the hotel continued to be managed by EGML Ltd under a Hotel Management Agreement and its addenda which started since March 2017.

The figure reported as at 30 June 2022 is considered to reflect its fair value as the last revaluation was done on the 30 June 2017 and do not have significant change in the value of assets. At the date of approval of financial statements a major renovation is being made by the hotel operator and was 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.

#### (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.

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



## *(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.

#### *(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 2022. 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.

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



## 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.

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.

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



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.

## **(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



# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the Statement of Financial Performance

## **(f) 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, such rate being determined as the buying rate available from the Bank of Mauritius. All exchange differences on translation are dealt with in the Statement of Financial Performance.

## **(g) Retirement benefit obligations**

### **(i) State pension plan**

Contributions made for “Contribution Social Generalise” (CSG), HRDC Levy and National Savings Fund are expensed to the Statement of Financial Performance in the period in which they fall due.

### **(ii) Defined Contribution Plan**

A defined contribution plan is a pension plan which the Fund pays fixed contributions and has no legal or constructive obligations to pay further contribution of the Fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payment made to the defined contribution plans are recognised as an expense when employees have rendered service that entitled them to the contributions. The total contribution made in the defined contribution plan for the present financial year was Rs1,404,559.

### **(iii) Defined benefit plan**

A defined benefit plan is a pension plan that is not a defined 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”. Its assets are managed by the State Insurance Company of Mauritius Ltd (SICOM). The rate of contribution in the plans 19% up to December 2021 and 20% as from January 2022. 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 the defined benefit plan for the present financial year was Rs1,583,657

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



## (h) 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.

## (i) Comparative figures

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

## (j) 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.

## (k) Trade and other payables

Trade and other payables are stated at their nominal amount.

## (l) 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.

## 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

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



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.

## **(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.

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



## (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	10,148,324

## (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.

### (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.

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



## (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.

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.

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



## (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:

	2021/22		2020/21	
	Credit risk exposure (%)	Impairment allowance (%)	Credit risk exposure (%)	Impairment allowance (%)
Investment grade	3		3	-
Standard monitoring	89		89	-
Special monitoring	6		7	-
Default	2	100	1	100
	-----	-----	-----	-----
	100	100	100	100
	=====	=====	=====	=====

Loans and receivables are summarized as follows:

	2021/22	2020/21
	Rs	Rs
Neither Past Due nor impaired	1,157,060,373	1,330,630,297
Past Due but not impaired	82,158,843	108,104,620
Individually impaired	35,461,241	39,128,772
	-----	-----
Gross	1,274,680,457	1,477,863,689
Impairment allowance	(32,776,950)	(38,239,693)
	-----	-----
Total	1,241,903,507	1,439,623,996
	=====	=====

# Employees Welfare Fund

Notes to and forming part of the financial statements  
For period ended 30 June 2022

## 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	Multi- Purpose Loan	Other loans	Total loans
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>30 June 2022</b>											
Investment grade	-	-	-	10,433,842	-	-	-	-	10,750,000	-	21,183,8
Standard monitoring	41,024,318	19,265	4,529,500	917,356,450	77,215,121	6,293,240	11,601,682	13,822,434	62,316,300	1,698,041	1,135,876,5
Total	41,024,318	19,265	4,529,500	927,790,292	77,215,121	6,293,420	11,601,682	13,822,434	73,066,030	1,698,041	1,157,060,3
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>30 June 2021</b>											
Investment grade	-	-	170,000	11,189,778	6,425,000	-	-	250,000	-	-	18,034,778
Standard monitoring	65,134,303	38,006	9,520,045	1,064,060,688	127,716,660	7,546,363	13,975,081	23,024,883	-	1,749,490	1,312,595,511
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	1,330,630,291

# Employees Welfare Fund

Notes to and forming part of the financial statements  
For period ended 30 June 2022

## 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	MultiPurpose Loan	Other loans	Total loans
30 June 2022	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Past due up to 1 Year	7,098,840	4,185	942,606	44,442,368	5,857,411	763,088	373,351	2,070,057	20,56,162	-	63,608,068
Past due 2 to 3 Years	208,296	-	160,127	7,400,087	1,677,554	-	120,048	470,480	-	-	10,036,592
Past due beyond 3 Years	448,228	-	-	8,065,955	-	-	-	-	-	-	8,514,183
	7,755,364	4,185	1,102,733	59,908,410	7,534,965	763,088	493,399	2,540,537	2,056,162	-	82,158,843
	Car loan	MES exams fees loan	Motor cycle loan	Education loan	Welfare loan	Loan for people with disabilities	Medical Loan	Green Loan	MultiPurpose Loan	Other loans	Total loans
30 June 2021	Rs	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 2022

## Impairment allowance for loans and receivables individually impaired

The individually impaired allowance to customers taking into consideration the cash flows from collateral held is Rs32,776,950 as at June 2022. (2020/21 - Rs38,239,693)

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	Green loan	Total loans
30 June 2021	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Impairment allowance	(4,172,662)	(27,971)	(829,777)	(23,091,440)	(9,921,413)	(196,430)	(38,239,693)
	=====	=====	=====	=====	=====	=====	=====
Release / Charge for the year							
30 June 2022	95,368	-	224,922	3,873,561	1,501,940	(233,048)	5,462,743
Impairment allowance	(4,077,294)	(27,971)	(604,855)	(19,217,879)	(8,419,473)	(429,478)	(32,776,950)
	=====	=====	=====	=====	=====	=====	=====

# Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2022



## 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 2022, an amount of Rs5,506,662 was set 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 2022, 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 2022



## **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**

During the financial year, the EWF's Board has approved to reduce the monthly fees receivable from the hotel operator for the period May 2020 to October 2021 due to the adverse impact of the Covid-19 pandemic in the hotel industry from Rs2,244,000 to Rs1,300,000 and has consequently written off Rs 11,328,000 against provisions made last year. The Board also approved to reschedule payment for the post covid arrears over a period of two years as from April 2022 for a monthly payment of Rs975,000.

## **Other Provisions**

At the reporting date, an additional provision for bad debts of Rs1,500,000 was made against the amount due from tour operators since the outcome and the likelihood of recovery out of legal proceeding is still uncertain.

## **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 2022.

# Employees Welfare Fund

Notes to and forming part of the financial statements  
For the year ended 30 June 2022

## 14 Cash and cash equivalents

Cash at bank  
Cash in hand

2021/22	Restated 2020/21
Rs	Rs
541,590,490	813,066,612
8,439	1,501
541,598,929	813,068,113

## 15 Trade and other receivables

Interest receivable - overdue loan instalments  
Interest receivable - PSSA examination fees  
Loan to staff  
Prepayments  
Deposit for Locker  
DBM- Rodrigues Book Loan Scheme  
NIT Loan Scheme  
Debtors EX-CSM Operation  
Other receivable - LIM China Master Fund SPC  
**Rent Receivable from investment property**  
Rent receivable - Sealife Resort and Spa  
Provision for bad debts - rent and tour operators

10,150,540	12,266,164
22	22
3,637,336	2,833,706
2,322,912	265,160
25,000	25,000
2,500	2,500
45,200	45,200
3,306,863	3,306,863
-	424,131
25,054,931	31,416,000
(3,000,000)	(12,828,000)
41,545,304	37,756,746

## 16 Financial assets

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

2021/22	2021/22	2021/22	Restated 2020/21
Rs	Rs	Rs	Rs
CURRENT	NON-CURRENT	TOTAL	TOTAL
Investment securities at fair value through surplus or deficit	-	22,776,528	26,308,055
Held to maturity investment securities	516,744,343	-	-
Loans and receivables	309,652,760	929,084,566	1,435,679,419
826,397,103	951,861,094	1,778,258,197	1,461,987,474

### a Investment securities at fair value through surplus or deficit

Local equity securities - Unquoted	-	12,628,204	12,628,204	12,865,622
Foreign investment securities	-	10,148,324	10,148,324	13,442,433
-	-	22,776,528	22,776,528	26,308,055

### b Held to maturity investment securities

Treasury Bills	516,744,343	-	516,744,343	-
516,744,343	-	516,744,343	-	-

### c Loans and receivables

Education loan scheme	210,333,209	799,710,672	1,010,043,881	1,175,414,358
MES exams fees loan	51,417	-	51,417	71,323
Welfare loan	50,310,747	41,861,066	92,171,813	159,064,347
Car loan	24,183,663	29,222,619	53,406,282	77,493,233
Motorcycle loan	4,157,623	2,019,914	6,177,537	12,288,179
Disability loan	2,008,938	5,047,571	7,056,509	8,678,075
Green Loan	9,566,084	7,291,347	16,857,431	28,524,759
Medical Loan	2,954,856	9,140,225	12,095,081	14,579,920
Multipurpose Loan	5,512,980	69,609,482	75,122,462	-
Other loans (PRB Car Loan Scheme)	573,243	1,124,799	1,698,042	1,749,490
309,652,760	965,027,695	1,274,680,455	1,477,863,684	
Loan Repayment Control	-	(1,729,557)	(1,729,557)	(2,152,191)
Provisions	-	(1,436,622)	(1,436,622)	(1,792,381)
Impairment allowance	-	(32,776,950)	(32,776,950)	(38,239,693)
309,652,760	929,084,566	1,238,737,326	1,435,679,419	

## 17 Other current/non current assets

Land acquired through judicial action

2021/22	2021/22	2021/22	2020/21
Rs	Rs	Rs	Rs
CURRENT	NON-CURRENT	TOTAL	TOTAL
-	1,300,001	1,300,001	1,300,001
-	1,300,001	1,300,001	1,300,001

# Employees Welfare Fund

Notes to and forming part of the financial statements  
For the year ended 30 June 2022



## 18 Investment property

As at 30 June 2022					
Seaview Calodyne Lifestyle Resort (SCLR)					
Land	Buildings	Plant and equipment	Furniture and fittings	Computer	Total
110,925,000	195,311,977	49,809,264	54,032,705	1,953,208	412,032,154
-	9,549,318	-	-	-	9,549,318
110,925,000	204,861,295	49,809,264	54,032,705	1,953,208	421,581,472
-	15,206,624	47,543,361	45,080,108	1,953,208	109,783,301
-	4,097,226	942,687	1,687,732	-	6,727,645
-	19,303,850	48,486,048	46,767,840	1,953,208	116,510,946

Net Book Value at 30 June 2021

110,925,000 180,105,353 2,265,903 8,952,597 - 302,248,853

Net Book Value at 30 June 2022

110,925,000 185,557,445 1,323,216 7,264,865 - 305,070,526

## DEPRECIATION - Brought forward

Charge for the year

Accumulated Depreciation at year end

## 19 Investment in securities - Equity method

Local equity securities - Listed

- Unquoted

Foreign investment securities

2021/22	2021/22	2021/22	2020/21
Rs	Rs	Rs	Rs
CURRENT	NON CURRENT	TOTAL	TOTAL
-	134,463,987	134,463,987	118,559,994
-	55,989,982	55,989,982	54,849,377
-	173,180,477	173,180,477	197,870,619
-	363,634,446	363,634,446	371,279,990

## Employees Welfare Fund

Notes to and forming part of the financial statements  
For the year ended 30 June 2022

### 20 Infrastructure, plant & equipment - 2021/22

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 2021

Net Book Value at 30 June 2022

### 21 Intangible Assets - 2021/22

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 2021

Net Book Value at 30 June 2022

Building	EWF				RODRIGUES				EWF		TOTAL
	Plant and equipment	Computer equipment	Furniture and fittings	Electronic equipment	Service concession assets	Computer	Plant & Equipment	Furniture and fittings	Land	Rs	
54,525,000	1,393,672	17,682,137	4,936,007	611,729	41,484,430	172,826	17,700	123,308	33,020,000	153,966,809	
-	37,550	308,145	30,000		343,450					719,145	
54,525,000	1,431,222	17,990,282	4,966,007	611,729	41,827,880	172,826	17,700	123,308	33,020,000	154,685,954	
4,362,000	1,123,191	17,066,248	3,385,819	605,877	40,467,058	142,695	4,863	94,014	-	67,251,765	
1,090,500	113,576	426,261	294,811	3,524	291,505	15,063	2,875	5,577	-	2,243,692	
5,452,500	1,236,767	17,492,509	3,680,630	609,401	40,758,563	157,758	7,738	99,591	-	69,495,457	
50,163,000	270,481	615,889	1,550,188	5,852	1,017,372	30,131	12,837	29,294	33,020,000	86,715,044	
49,072,500	194,455	497,773	1,285,377	2,328	1,069,317	15,068	9,962	23,717	33,020,000	85,190,497	

Application Software	Total Rs
33,788,184	33,788,184
138,000	138,000
33,926,184	33,926,184
33,723,496	33,723,496
99,188	99,188
33,822,684	33,822,684
64,688	64,688
103,500	103,500

# Employees Welfare Fund

Notes to and forming part of the financial statements  
For the year ended 30 June 2022



		2021/22	Restated 2020/21
		Rs	Rs
<b>22 Trade and other payables</b>			
Creditors		925,183	7,850,872
Payables - Deposits - Sealife Resort and Spa		12,000,000	-
		<u>12,925,183</u>	<u>7,850,872</u>
<b>23 Deferred income</b>			
Deferred revenue		<u>167,663</u>	<u>65,343</u>
<b>24 Employee benefits obligation</b>			
	Current Liabilities	Non Current Liabilities	TOTAL
Bank sick leave	287,144	5,520,697	5,807,841
Sick Leave for year 2020	-	460,671	460,671
Provision for retirement benefits	-	25,395,133	25,395,133
Provision for passage credits	-	1,416,721	1,416,721
Bank vacation leave	-	5,371,630	5,371,630
	<u>287,144</u>	<u>38,164,852</u>	<u>38,451,996</u>
			<u>35,757,411</u>

## Employee leave entitlement

Employee entitlements to bank sick leaves and vacation leaves as defined in the PRB 2021 Report (the regulatory body for determining remuneration of EWF employees) are recognized when they accrue to employees. An accrual amount of Rs11,640,142 has been made for the estimated liability for bank sick leave and vacation leaves as at 30 June 2022.

## 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.

	2021/22	Restated 2020/21
	Rs	Rs
<b>(i) Amounts recognised in the balance sheet</b>		
Present value of funded obligation	44,828,203	39,056,967
Fair Value of plan assets	(19,433,070)	(15,256,661)
Liability recognised in the balance sheet at end of year	<u>25,395,133</u>	<u>23,800,306</u>
<b>(ii) Amounts recognised in income statement</b>		
Service Cost		
Current Service Cost	1,383,839	1,231,398
Employee contributions	(487,508)	(444,035)
Fund expenses	66,048	64,191
Net interest expense/revenue	<u>1,080,855</u>	<u>616,815</u>
P & L Charge	<u>2,043,234</u>	<u>1,468,369</u>
Remeasurement		
Liability (gain)/loss	4,585,764	8,670,997
Assets (gain)/loss	<u>1,061,978</u>	<u>(91,140)</u>
Net Assets/Equity (NAE)	<u>5,647,742</u>	<u>8,579,857</u>
Total	<u>7,690,976</u>	<u>10,048,226</u>

# Employees Welfare Fund

Notes to and forming part of the financial statements  
For the year ended 30 June 2022



	2021/22	Restated 2020/21
	Rs	Rs
<b>(iii) Movements in liability recognised in balance sheet</b>		
<i>At start of year : 1st July</i>	23,800,306	14,714,155
Amount recognised in P& L	2,043,234	1,468,369
(Past Service liability contribution)	(5,000,000)	-
(Contributions paid by employer)	(1,096,149)	(962,075)
Amount recognised in NAE	5,647,742	8,579,857
<i>At end of year : 30 June</i>	25,395,133	23,800,306
<b>(iv) The figures have been arrived at by using actuarial assumptions as follows:</b>		
Discount rate	5.50%	5.00%
Future salary increases	3.50%	3.00%
Future pension increases	2.50%	2.00%
<b>Reconciliation of the present value of defined benefit obligation</b>	<b>Rs</b>	<b>Rs</b>
Present value of obligation at start of period	39,056,967	33,181,816
Current service cost	1,383,839	1,231,398
Interest cost	1,952,848	1,227,727
(Benefits paid)	(2,151,215)	(5,254,971)
Liability(gain)/loss	4,585,764	8,670,997
Present value of obligation at end of period	44,828,203	39,056,967
<b>Reconciliation of fair value of plan assets</b>		
Fair value of plan assets at start of period	15,256,661	18,467,661
Expected return on plan assets	871,993	610,912
Employer contributions	1,096,149	962,075
Employee contributions	487,508	444,035
Actuarial reserves transferred in	-	-
Fund expenses	5,000,000	-
(Benefits paid+other outgo)	(2,217,263)	(5,319,162)
Asset gain/(loss)	(1,061,978)	91,140
Fair value of plan assets at end of period	19,433,070	15,256,661
<b>Distribution of plan assets at end of period</b>		
<i>Percentage of assets at end of year</i>		
Government securities and cash	58.00%	54.80%
Loans	2.90%	2.80%
Local equities	13.60%	11.80%
Overseas bonds and equities	25.00%	30.10%
Property	0.50%	0.50%
Debenture stocks	-	-
Total	100%	100%
<b>Additional disclosure on assets issued or used by the reporting entity</b>		
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 2022



	2021/22 Rs	Restated 2020/21 Rs
<b>Components of the amount recognised in NAE</b>		
Year	<b>Jun-21</b>	<b>Jun-21</b>
Currency	Rs	Rs
Asset experience gain/(loss) during the period	(1,061,978)	91,140
Liability experience gain/(loss) during the period	(4,585,764)	(8,670,997)
	<u>(5,647,742)</u>	<u>(8,579,857)</u>
<b>Year 2022/2023</b>		
Expected employer contributions - Rs 1,139,957		
Weighted average duration of the defined benefit obligation	18 years	18 years
<b>25 In House Loan Cover Scheme</b>		
Opening balance	73,047,953	72,936,298
Premium collected during the year	4,265,641	3,957,967
Premium collected during the year - staff loan	4,700	1,500
Loan written off	(5,506,662)	(3,847,812)
Closing balance	<u>71,811,632</u>	<u>73,047,953</u>
<b>26 Capital and reserves</b>		
<b>(a) General fund</b>		
General fund as at 1 January	2,716,757,978	2,603,831,375
Increase/decrease in fair value of investment securities	(22,073,242)	64,764,016
Movement in general fund	(1,888,000)	(719,913)
Actuarial Gain/Loss on employee benefits obligation	(5,647,742)	(8,579,857)
Surplus for the year	65,254,580	57,462,357
At 31 December	<u>2,752,403,574</u>	<u>2,716,757,978</u>
<b>(b) Contributions</b>		
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.		
<b>(c) Investments</b>		
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.		
<b>(d) Lump sum paid</b>		
As at 30 June 2022, an amount of Rs 4,049,388 has been paid to retired employees as per section 17 (2) EWF's Act 1995		
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.		
<b>27 Reserves</b>		
Opening reserves	240,941,352	240,941,352
	<u>240,941,352</u>	<u>240,941,352</u>
<b>28 Interest income</b>		
Loan schemes	75,194,590	90,814,567
<b>29 Investment revenue (expense)</b>		
Local equity	6,746,062	1,163,369
Placement in banks and local financial institution	215	1,766
Foreign securities	121,334	952,614
Gains (losses) on FVPL investment	(238,220)	377,135
	<u>6,629,391</u>	<u>2,494,884</u>

# Employees Welfare Fund

Notes to and forming part of the financial statements  
For the year ended 30 June 2022



	2021/22	Restated 2020/21
	Rs	Rs
<b>30 Other revenue</b>		
Rental income from investment property	16,000,000	26,928,000
Administrative fees	1,872,683	1,864,139
Decrease in Provision - Arears	355,759	-
Decrease in Provision - Impairment	5,462,743	4,084,501
Disposal of Assets	-	480,328
Other Miscellaneous revenue	140,000	287,563
	<u>23,831,185</u>	<u>33,644,531</u>
<b>31 Administrative expenses</b>		
Fees to board members	2,740,000	2,680,645
Electricity and telephone	1,519,858	1,490,243
Repairs and maintenance	1,221,567	1,261,251
Donation and sponsorship	-	1,000,000
Legal and professional fees	214,735	767,593
Postage, stationery and I.T expenses	6,104,046	7,363,876
Insurance of office	45,382	56,418
Training, seminars and membership fees	3,500	48,000
Financial assistance	175,000	175,000
Other administrative expenses	1,683,696	1,642,028
Provision - Out of court Settlement	-	5,239,680
Professional Fees	188,294	517,500
	<u>13,896,078</u>	<u>22,242,234</u>
<b>32 Staff costs</b>		
Salaries	20,236,551	18,481,076
Allowances and overtime	1,562,582	1,498,173
	<u>21,799,133</u>	<u>19,979,249</u>
<b>33 Employees benefits expenses</b>		
Pension contribution	3,337,386	2,948,564
Passage benefits	631,722	572,726
Provision for Retirement benefits and vacation leaves	2,698,977	1,903,558
Provision for sick leaves	501,608	957,410
	<u>7,169,693</u>	<u>6,382,258</u>
<b>34 Depreciation and amortization expense</b>		
Infrastructure, plant and equipment	2,243,692	2,312,697
Intangible Assets	99,188	347,438
Investment property	6,727,645	7,009,963
	<u>9,070,525</u>	<u>9,670,098</u>
<b>35 Provisions and write offs</b>		
Provisions for credit losses - arrears	-	67,670
Impairment of loan	-	-
Provision for bad debts - rent	1,500,000	11,328,000
	<u>1,500,000</u>	<u>11,395,670</u>
<b>36 Welfare activities</b>		
Welfare activities expenses	-	150,161
	<u>-</u>	<u>150,161</u>
<b>37 Exchange differences</b>		
Gain / (Loss) on exchange on financial assets	13,034,843	9,492,339
<b>38 Gain / (Loss) in fair value of securities</b>		
Gain / (Loss) in fair value of AFS securities	(22,073,242)	64,764,016
Gain / (Loss) in fair value of FVTSD securities	-	(9,164,294)
<b>39 Related party transactions</b>		
<b>Education loan</b>		
- Board members	635,955	1,126,638
<b>Staff car loan</b>		
- Management staff	1,027,135	1,402,260
	<u>1,663,090</u>	<u>2,528,898</u>